

# Kentucky Real Estate Commission

*Meeting of Thursday, October 13, 2016*

*9:00 a.m.*

*KREC Office (Boardroom)*

*10200 Linn Station Road*

*Louisville, KY 40223*

*(502) 429-7250*

## Agenda

**Call to Order and Welcome** (Kim Sickles, Chair)

**Roll Call** (Kim Sickles, Chair)

**Approval of Minutes – August 18, 2016 Meeting** (Kim Sickles, Chair)

TAB A

**Administration Report** (Shelly Saffran)

Introduction of Vatisia Hunter

Resolution for Michael Wooden

2016 Calendar

2017 *Draft* Calendar

Investment Report

TAB B

TAB C

TAB D

TAB E

TAB F

**Financial Report** (Vatisia Hunter)

Trust and Agency Account

Education, Research and Recovery Fund

TAB G

TAB H

**Education and Licensing Report** (Kristen L. Reese)

2016 Course and Instructor Approvals

2016 Pre-License Course Approvals

Licensing Issues

Statistics Report: Testing, Applicant and Licensing Information

KREC Suite Update

TAB I

TAB J

TAB K

TAB L

TAB M

**Legal Report** (Rhonda K. Richardson)

"Hotline" Legal Questions Report

Case Statistics Report (plus Quarterly Report)

Request for Standing Orders

TAB N

TAB O

TAB P

**Comments from the Chair – Other Business (Kim Sickles, Chair)**

**Timely Items**

9:30 a.m. - Beryl Thompson, Department of Insurance

TAB Q

9:45 a.m. – Cindy Rice Grissom, RISC

TAB R

**Open Forum - Public Comments (Kim Sickles, Chair)**

**Executive Session - Commissioners/Management Team Staff Only (Kim Sickles, Chair)**

*Motion: "The chair will entertain a motion to move into Executive Session pursuant to KRS 61.810(1) (c, f, g and j) to discuss pending litigation, individual adjudications and personnel matters.*

Legal Matters and Case Deliberations Pursuant to KRS 61.810 (1) (c) (g) (j) CASEBOOK  
Personnel Matter Pursuant to KRS 61.810 (1) (f) DISCUSSION

**Reconvene in Open Session (Kim Sickles, Chair)**

**Adjournment (Kim Sickles, Chair)**

**Half-Century Awards Luncheon immediately following Commission meeting**  
**Noah's Event Venue – Louisville (12:00 Noon)**  
**12451 Plantside Drive**  
**Louisville, KY 40299**  
**(385) 309 - 3593**

**NEXT COMMISSION MEETING**

**Thursday, November 17, 2016**

**9:00 a.m.**

**KREC Office (Boardroom)**

**10200 Linn Station Road**

**Louisville, KY 40223**

**(502) 429-7250**

August 18, 2016

## **KENTUCKY REAL ESTATE COMMISSION**

### **TYPE OF MEETING**

Regular

### **NUMBER OF MEETING**

1185

### **DATE AND LOCATION**

August 18, 2016

Kentucky Real Estate Commission, Louisville, Kentucky

### **PRESIDING OFFICER**

Kim Sickles, Chair

### **ROLL CALL**

#### **Present**

Kim Sickles, Chair  
Dana Anderson, Vice-Chair  
Bob Roberts, Commissioner  
Tom Biederman, Commissioner  
Tom Waldrop, Commissioner

#### **Absent**

None

#### **Present Also at Commission Meeting**

Michael Wooden, Executive Director  
Rhonda Richardson, General Counsel  
Shelly Saffran, Director of Administration  
Kristen Reese, Director of Education and Licensing  
Denise Payne Wade, Staff Attorney  
Hunt Cooper, Kentucky Association of REALTORS®  
Cindy Rice Grissom, Rice Insurance Services Company LLC  
Craig Jennings, Kentucky Real Estate College student  
Kathleen Huff, Career Development Center student  
Lisa Presley Codey, Presley Realty  
Kara Kitts, Career Development Center student

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Tonie Brown, Career Development Center student  
Michael Lawrence, Lawrence & Lawrence, PLLC

### **MINUTES**

Motion was made to approve the July 21, 2016 Commission meeting minutes. The motion carried.

### **FINANCIAL REPORT**

Executive Director Wooden presented the commissioners with a copy of the Financial Statement Report of the Commission's trust and agency account. Mr. Wooden said that the Commission's receipts are up almost \$3,000 this month over the same month last year. He stated that it relates primarily to the increase in exam fees. He said that on the expenditure side, the Commission is over by \$11,029, and that it is also due to exam fees. Mr. Wooden provided trend reports for the trust and agency account, cash receipts and expenditures.

Executive Director Wooden presented the commissioners with a copy of the Financial Statement Report of the Commission's education, research and recovery fund. He said that the Commission's receipts are up by \$947, compared to this time last year. He also stated that the expenditures are up by \$16,758 compared to the same time last year. Mr. Wooden provided trend reports for the education, research and recovery fund account, cash receipts and expenditures.

### **INVESTMENT REPORT**

Executive Director Wooden presented the commissioners with the Investment Report Summary. He said the average balance in the operations account (131X) in trust and agency in July 2016 was \$635,957. He said that, compared to \$691,566 in July 2015, the difference is \$55,609. He said in the education and recovery fund, the cash balance in July 2016 was \$1,111,450. He added that, compared to \$1,188,888 in July 2015, the difference is \$1,236,756.

### **LICENSEE STATISTICS**

The Commission reviewed the licensee statistics. Executive Director Wooden said that the Commission currently has 21,935 licensees. He said if you compare that number to July of 2015, there has been an increase of 354 licensees.

### **SPONSORSHIP REQUEST: KENTUCKY ASSOCIATION OF REALTORS® ANNUAL CONVENTION & EXPO**

Executive Director Wooden reported that he received a request from Mr. Steve Stevens, CEO, Kentucky Association of REALTORS® ("KAR") regarding the Commission sponsoring the KAR Annual Convention & Expo, scheduled for September 19-22, 2016 at the Marriott Griffin Gate Resort in Lexington, KY. He said the total amount request by KAR is \$14,000. Commissioner Waldrop asked if this conference was open to all licensees. Executive Director Wooden said it was

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open to all licensees. Mr. Hunt Cooper of the Kentucky Association of REALTORS® said the conference provides for a wonderful lineup of speakers and classes. Motion was made to approve the sponsorship request for the KAR Annual Convention in the amount of \$14,000. The motion carried.

### **2016 CALENDAR**

Director of Administration Saffran presented the dates for the 2016 Commission meetings. She said the next Commission meeting is on August 18, 2016 in Louisville, Kentucky. There were no changes made to the calendar.

### **KENTUCKY STATE FAIR**

Director of Administration Saffran discussed the details for the Commission's participation in the Kentucky State Fair. She said the commissioners are welcome to work on any of the days during the fair, which is scheduled for August 18 – 28, 2016. She said that the date of August 21, 2016 needs workers to man the booth.

### **HALF-CENTURY AWARDS PROGRAM UPDATE**

Director of Administration Saffran discussed the details of the upcoming Half-Century Awards Program being held at Noah's Event Venue in Louisville, Kentucky, on October 13, 2016. She detailed the number of guests that will be invited and asked if the commissioners had any suggestions or input. There was no action taken.

### **ERRORS AND OMISSIONS INSURANCE QUARTERLY CLAIMS LISTING**

Director of Administration Saffran reported that Rice Insurance Services Company LLC has submitted two (2) quarterly claims listings. She said the first attachment provides detail of the claims, sorted by status and total incurred, and that the other attachment provides the totals of claims payments for closed claims and incurred amounts for open claims, sorted by policy period. Ms. Saffran said that Ms. Cindy Rice Grissom is present to answer any questions. Ms. Grissom presented the report and emphasized that Rice Insurance Services spends more on legal fees than they do on loss payments. She also said she has seen an increase in claims since April of 2016. She said specifically, there have been 52 claims and that she did not see a pattern to the claims. She said that 16 of those claims were regulatory complaints and that there is \$2,500 coverage for legal fees under the group program. She said that RISC currently has 12 of the 13 mandated programs in the county. The commissioners thanked Ms. Grissom for appearing and for keeping her fingers on the trend, etc.

### **COURSE AND INSTRUCTOR APPROVALS FOR 2016**

Education Director Reese said the attached list of education providers submitted applications for review and approval by the Commission. She said Commission staff members have reviewed the information submitted, which includes provider, course and instructor applications

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and that the new courses are bolded and all of the non-bolded courses are those that have been previously approved by the Commission within the last year.

**1. 2016 Continuing Education Course Approvals**

- A. Madison County Board of Realtors  
**23 Federal Laws That Apply to Real Estate Sales** 3 hours (3 law)  
**Instructor: Doug Myers**  
**Predatory Lending & Loan Fraud-Hijacking**  
**the American Dream** 3 hours (3 law)  
**Instructor: Doug Myers**
- B. West Virginia Assoc of Realtors  
**Turning Your Mobile Device into Your Mobile Office** 3 hours (0 law)  
**Instructor: Marki Lemons-Ryhal**  
**Unethical & Unlawful Use of Media** 3 hours (0 law)  
**Instructor: Marki Lemons-Ryhal**
- C. McKissock  
**Agency Law-A Broker's Perspective** 3 hours (3 law)  
**Instructor: Robert Fleck**

**2. 2016 Continuing Education & Post License Education Course Approvals**

- A. Lexington Bluegrass Assoc of Realtors  
**Customer Before Company-Revolutionizing Your**  
**Real Estate**  
**Business the Nordstrom Way** CE - 3 hours (0 law)  
**Instructor: Maura Neill** PLE – 3 elective hours

Motion was made to approve all of the courses listed above. The motion carried.

**STATISTICAL REPORT TESTING AND APPLICANT INFORMATION**

Education and Licensing Director Reese provided the commissioners with monthly testing statistics. The results are as follows:

**Applicant Information**

**Sales**

<b>Sales Associate Initial Applicants</b>	<b>FY 11- 12</b>	<b>FY 12- 13</b>	<b>FY 13- 14</b>	<b>FY 14- 15</b>	<b>FY 15- 16</b>	<b>FY 16- 17</b>
July	57	61	90	81	98	108
August	55	56	70	93	80	
September	41	36	60	66	87	
October	38	46	97	71	69	
November	31	46	60	53	101	
December	23	26	63	57	236	
January	58	47	70	78	38	
February	36	47	49	57	54	

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March	55	54	99	87	98	
April	57	87	141	114	143	
May	53	66	96	94	104	
June	39	60	77	94	117	
Total for Fiscal Year	543	632	972	945	1225	108

## Broker

Broker Applicants*	FY 14-15		FY 15-16		FY 16-17	
	Initial	Upgraded	Initial	Upgraded	Initial	Upgraded
July	3	4	1	7	1	6
August	6	5	4	4		
September	5	5	2	6		
October	3	4	6	7		
November	3	4	4	11		
December	3	3	4	7		
January	0	9	1	5		
February	0	2	1	10		
March	1	4	3	12		
April	5	8	6	15		
May	1	5	8	7		
June	0	6	2	9		
Total for Fiscal Year	30	59	42	100	1	6

## 2016 KREC EDUCATORS CONFERENCE

Education & Licensing Director Kristen Reese reported that the 2016 KREC Educators Conference has been scheduled for October 20 & 21, 2016. The conference will be held at the University of Louisville – Shelby Campus at the Founders Union Hall. The first day of the conference will feature national speaker Karel Murray, CSP, DREI. Ms. Murray will conduct an Instructor Development Workshop called “Become the Speaker of Change: Secrets of the Experts.” The second day of the conference will feature a presentation and update from the KREC Legal Department’s attorneys, Rhonda Richardson and Denise Payne Wade. Art Reed will also be giving a presentation on the safety issues in real estate. All Commissioners are welcome to attend and join us at this annual event.

## HOTLINE AND E-MAIL STATISTICS FOR APRIL

General Counsel Richardson presented the following numbers for the monthly totals for May and June 2016:

	July
Number of calls answered by KREC Attorneys	124
E-mail inquiries answered by KREC Attorneys	326

August 18, 2016

### **CASE STATISTICS**

General Counsel Richardson reported on the following case statistics as of August 8, 2016:

#### **CASE STATISTICS**

Active Cases	93
Request for Withdrawal	1
Complaints Received	8
Pending Answers	8
Answers Reviewed	9
Active Investigations	20
Investigations under Review	5

#### **ADMINISTRATIVE HEARING STATISTICS**

Total Number of Ordered Hearings	26
Signed Settlement Agreements on Agenda	1
No. of Cases with Ongoing Settlement Discussions	3
Number of Hearings Held	1

#### **UNLICENSED BROKERAGE STATISTICS**

Number of Unlicensed Brokerage Cases	0
Number of Settlement Agreements	0
No. of Cases with Ongoing Settlement Discussions	0
Number of Injunctions Filed in Circuit Court	0

#### **APPEALS CASES**

Open Appeal Cases	2
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### **STATUS OF INVESTIGATIONS FOR KREC**

The Commission reviewed the report of investigations submitted by KCH & Associates, LLC, which outlines all of the open investigation cases.

### **NOTICE OF VIOLATION LETTER AND CONSENT AGREEMENT TEMPLATES**

General Counsel Richardson said that at the July 2016 meeting the commissioners requested that she draft a notice of potential violation letter template for review and approval. She attached two templates for a violation letter and a consent agreement. Motion was made to approve the templates. The motion carried.

### **INTERPRETATION OF KRS 324.117 AND 201 KAR 11:105 AS APPLIED TO DIRECTIONAL SIGNS IN MARKETING REAL ESTATE**

General Counsel Richardson said that she received a request from a licensee for a formal opinion regarding the applicability of KRS 324.117(4) and 201 KAR 11:105 Section 3(1), to



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directional signs used in marketing real property. She said, specifically, must the full name as registered with the Commission be utilized on a sign providing directions to the listed property, or may an abbreviated version of the name be used. E.G., Re/Max Elite shortened to Re/Max on the directional sign. After several minutes of discussion, a motion was made that directional signs are not subject to the current signage regulations as they are on individual policies. The motion carried.

#### **COMMENTS FROM THE CHAIR**

Chair Sickles publically thanked the commissioners and employees for their acts of kindness with regard to the passing of her mother. She also said she appreciated Vice-Chair Anderson for stepping in during the Commission meeting in Lexington and taking over as chair of that meeting.

#### **LICENSEE SAFETY PRESENTATION BY LISA PRESLEY, PRINCIPAL BROKER/OWNER, PRESLEY REALTY**

Ms. Lisa Presley appeared to discuss the issue of pocket cards. This is her second presentation about this issue to the Commission. Ms. Presley gave information about the various states that issue pocket cards and said Kentucky was one of the few states that did not issue pocket cards. She said this is a safety issue and that licensees have nothing to carry to show who they are. Ms. Reese said the Commission is transitioning to a new database and that this will be something that will be discussed as a possible add-on feature once the system is up and running.

Motion was made that the commission investigate implementing this issue and report back to the Commission.

#### **OPEN FORUM**

Mr. Michael Lawrence said one trend he has noticed is that a lot of complaints are realtor vs. realtor driven. He said he has also noticed that, when it is a consumer complaint, there is usually a realtor pushing the complaint.

Mr. Hunt Cooper thanked the Commission for their support with the speakers for the Convention.

Ms. Kathleen Huff said she is a licensed mutual clerk and a licensed racing clerk. She was curious if the increase in claims through the errors and omissions insurance program involved new licensees. Ms. Cindy Rice Grissom said she did not look to see the years of licensure for the respondents in those claims. She said her company can certainly take a look at those.

Ms. Tonie Brown said she thinks the idea of ID cards is awesome and she hopes the Commission moves forward with this idea.

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### **CLOSED SESSION**

Motion was made to go into closed session, pursuant to KRS 61.810(1) (c) and (j), to discuss pending litigation, individual adjudications, and disciplinary matters. The motion carried. Motion was made to come out of closed session. The motion carried.

### **CASE LIST**

1. **REPORT OF PENDING CASES AS OF 8/4/16** – No motion since this was provided for information purposes only.
2. **KREC V. GRAY #16-0011** – Motion was made to accept the recommended order of the hearing officer, which states that Ms. LaDonna Gray is sufficiently trustworthy to transact business of a broker or a sales associate in a manner to safeguard the public and to allow her to proceed with her application for license pursuant to KRS 324.056, subject to conditions that will be stated in the final order. The motion carried.
3. **JOHN SCOTT GRIGSBY #16-INF-0024** – Motion was made that the Commission is not going to render an opinion in this matter, as any preliminary review of a non-applicant would not be binding and the Commission voted to discontinue the preliminary review process in its entirety. The motion carried.
4. **WHITE V. MESSENGER, ET AL #16-0012** - Commissioner Anderson recused herself and left the room during discussion. Motion was made to set this case for a non-recovery fund hearing and that the team leader and principal broker be included in the matter. The motion carried.
5. **JOHNSON V. ISENBERG & DEVRIES #16-0002** – Commissioner Anderson recused herself and the room during discussion. Motion was made that, having reviewed the complaint, answer and report of investigation and having found no violation of license law, this case shall be dismissed without an administrative hearing. The motion carried.
6. **KREC V. HUNT #16-0042** – Motion was made to set this matter for a non-recovery hearing. The motion carried.
7. **KREC V. ARNETT #16-0034** – Motion was made to set this matter for a non-recovery fund hearing. The motion carried.
8. **KREC V. GOODMAN #16-0051** – Motion was made that, having reviewed the complaint and answer and having found no violation of license law, this case shall be dismissed without an administrative hearing. The motion carried.
9. **KREC V. RICE #16-0052** – Motion was made that, having reviewed the complaint and answer and having found no violation of real estate license law, this case shall be dismissed without an administrative hearing. The motion carried.
10. **KREC V. AGE #16-0050** – Motion was made that, having reviewed the complaint and answer and having found no violation of real estate license law, this case shall be dismissed without an administrative hearing. The motion carried.

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11. **MATTHEW WILSON #16-INF-0017** – Motion was made that, having reviewed the report of investigation and having found no evidence of unlicensed brokerage, this case shall be dismissed. The motion carried.
12. **JIM & GINGER WELCH #16-INF-0003** – Motion was made to accept the Agreed Order, which states that Jim Welch and Ginger Welch both stipulate to a violation of KRS 324.020(2) for engaging in the practice of real estate brokerage in Kentucky without an active license. Both respondents agree to cease and desist all unlicensed brokerage activity in this state. The Commission agreed to withdraw its Order for injunctive relief, and will not file an injunction in this matter, unless the Agreed Order terms are violated. The motion carried.
13. **KREC V. HUBRICH #16-0039 & 16-0063** – Motion was made to consolidate Case #16-0039 and Case #16-0063 and to set this matter for a non-recovery fund hearing. The motion carried.
14. **KREC V. CECIL #16-0032** – Motion was made to withdraw the case against principal broker, Judith Craft, and proceed forward with case against Kelsey Cecil. The motion carried.
15. **BEAUCHAMP & KLINGENBERG V. EIBECK #14-0076** – Motion was made to remove this case from abeyance and to dismiss the matter since the Commission did not find any violation of license law. The motion carried.
16. **HAYDEN V. BESECKER & MAGLINGER, 16-0045** – Motion was made to grant the complainants *Request for Withdrawal* and dismiss this case. The motion carried.

#### **MEETING ADJOURNED**

Motion was made to adjourn the meeting. The motion carried.

The next regularly-scheduled Commission meeting is on October 13, 2016, at 9:00 a.m., at the Commission offices in Louisville, Kentucky.

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Chair

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Director of Administration



**Matthew G. Bevin**  
Governor

**KENTUCKY REAL ESTATE COMMISSION**

10200 Linn Station Road, Suite 201  
Louisville, Kentucky 40223  
(502)429-7250  
Fax (502) 429-7246  
[www.krec.ky.gov](http://www.krec.ky.gov)

**COMMISSIONERS**  
Kimberly Sickles, Louisville  
Dana W. Anderson, Louisville  
Bob Roberts, Richmond  
Tom Biederman, Versailles  
Tom Waldrop, Mayfield

**STAFF**  
Rhonda Richardson, General Counsel  
Shelly Saffran, Administration Director  
Kristen Reese, Education & Licensing Director

To: Commissioners  
From: Shelly Saffran  
Date: October 13, 2016  
Subject: **Vatishia Hunter**

**Background**

The Commission hired Vatishia Hunter on October 1, 2016. Vatishia came to the Commission from the Department of Education. She was originally hired in state government on October 15, 2014. She is training under Tracy Delgado, whose last day is October 11, 2015. Vatishia's official position title is Graduate Accountant IV, grade 13.

We are very excited to welcome Vatishia to the KREC family.

**Action Required**

No motion is needed.



Steven L. Beshear  
Governor

**KENTUCKY REAL ESTATE COMMISSION**

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Shelly Saffran, Administration Director  
Kristen Reese, Education & Licensing Director

To: Commissioners  
From: Shelly Saffran  
Date: October 13, 2016  
Subject: **Resolution for Michael Wayne Wooden**

**Background**

Chair Sickles asked me to prepare a Resolution for Michael Wooden. The Resolution follows this memorandum. The Resolution will be read by all staff and commissioners and presented to Cecelia Wooden at the Half-Century Awards Luncheon.

**Action Required**

I need a motion to adopt the Resolution and signatures affixed from all commissioners.



(MARY/DIANNA) **RESOLUTION IN LOVING MEMORY OF**  
**MICHAEL WAYNE WOODEN**

(Vatishia & Rachael) We the members of the Kentucky Real Estate Commission wish to express our gratitude and respect for Michael Wooden.

(Michelle/Karen) Our hearts are full as we gather together to mourn the passing of a community leader and a great Executive Director.

(Lucie/Tricia/Denise) Michael contributed much to the Kentucky Real Estate Commission, to the betterment of the real estate industry, and to the Commonwealth of Kentucky.

**(Shelly) WHEREAS;** Michael worked with diligence and effectiveness to achieve the goals of the Kentucky Real Estate Commission.

**(Kristen) WHEREAS;** Michael had many accomplishments during his tenure and contributed to the improvement and enhancement of the Kentucky Real Estate Commission. Specifically, he worked tirelessly and effectively to pass legislation, House Bill 149, establishing post-licensing education.

**(Rhonda) WHEREAS;** Michael gave ever so generously to the commissioners and staff and was ever mindful of the morale and atmosphere of the office.

**(Kim) THEREFORE;** be it resolved that we as members of the Kentucky Real Estate Commission will mourn with his family and continue to keep the spirit of him alive.

**(Dana) THEREFORE;** be it resolved that the KREC family has a common bond with his family and we will continue to honor his memory.

**(Bob) THEREFORE;** let it be known, that Michael Wooden cannot be replaced, but that his example will continue to be demonstrated and followed at the Kentucky Real Estate Commission.

**(Tom) BE IT FURTHER RESOLVED;** that the members of the Kentucky Real Estate Commission will continue the hard work and dedication to the advancement of the Kentucky Real Estate Commission and the improvement of the real estate industry as a whole.

**(Tommy) IN WITNESS WHEREOF,** the commission members below set their hands and the Official Seal of the Kentucky Real Estate Commission to be affixed this 13th day of October, 2016.

# **KENTUCKY REAL ESTATE COMMISSION**

## **2016 CALENDAR**

### **JANUARY**

**\*No Commission Meeting Scheduled**

### **FEBRUARY**

February 9 - 11: KAR Legislative Business Meeting, Lexington

Thursday, February 18  
Commission Meeting, Louisville

### **MARCH**

March 10 12: NAREB Mid-Winter Regional Memphis, TN

Thursday, March 24  
Commission Meeting, Louisville

### **APRIL**

April 13 - 16: ARELLO Mid-Year Meeting Atlanta, GA

Thursday, April 21  
Commission Meeting, Louisville

### **MAY**

May 9 - 14: NAR Mid-Year Mtg. & Events Washington, DC

Thursday, May 19  
Commission Meeting, Louisville

### **JUNE**

June 2 - 4: ARELLO District 2 & 3 Conf. Oklahoma City, OK

June 7 - 10: KAR Summer Business Mtg. Crowne Plaza, Louisville

June 10 - 13: REEA Annual Conference Denver, CO

**\*No Commission Meeting Scheduled**

### **JULY**

Thursday, July 21  
Commission Meeting, (Lexington, KY)

### **AUGUST**

August 12-16: NAREB Nat'l Convention; Long Beach, CA

Thursday, August 18  
Commission Meeting, Louisville

### **SEPTEMBER**

September 20 - 25: ARELLO Annual Conf. Vancouver, BC Canada

September 20 - 22: KAR Annual Convention Lexington, KY

**\*No Commission Meeting Scheduled**

### **OCTOBER**

Thursday, October 13  
Commission Meeting & Half-Century Awards Louisville, KY

October 20 - 21: KREC Educator's Conf. Louisville, KY

### **NOVEMBER**

November 2 - 7: NAR Conference & Expo Orlando, FL

Thursday, November 17  
Commission Meeting, Louisville

### **DECEMBER**

Thursday, December 15  
Commission Meeting, Louisville

**PROPOSED**  
**KENTUCKY REAL ESTATE COMMISSION**  
**2017 CALENDAR**

**JANUARY**

**\*No Commission Meeting Scheduled**

**FEBRUARY**

February 7 - 9: KAR Legislative Business Meeting, Lexington, KY

Thursday, February 16  
Commission Meeting, Louisville

**MARCH**

March 9-11: NAREB Mid-Winter Regional Charlotte, NC

Thursday, March 23  
Commission Meeting, Louisville

**APRIL**

April 26 - 29: ARELLO Mid-Year Meeting Louisville, KY

Thursday, April 20  
Commission Meeting, Louisville

**MAY**

May 15 - 20: NAR Mid-Year Mtg. & Events Washington, DC

Thursday, May 18  
Commission Meeting, Louisville

**JUNE**

June 8 - 10: ARELLO District 2 & 3 Conf. Charleston, WV

June 19 - 22: KAR Summer Business Mtg. Gatlinburg, TN

June 23 - 25: REEA Annual Conference Miami, FL

**\*No Commission Meeting Scheduled**

**JULY**

Thursday, July 20  
Commission Meeting (Northern KY)

**AUGUST**

August \_\_\_\_\_: NAREB Nat'l Convention

Thursday, August 17  
Commission Meeting, Louisville

**SEPTEMBER**

September 19 - 24: ARELLO Annual Conf. Honolulu, Hawaii

September 24 - 26: KAR Annual Convention Cincinnati, OH

**\*No Commission Meeting Scheduled**

**OCTOBER**

Thursday, October 12  
Commission Meeting & Half-Century Awards Louisville, KY

October \_\_\_\_\_: KREC Educator's Conf. Louisville, KY

**NOVEMBER**

November 3 - 6: NAR Conference & Expo Chicago, IL

Thursday, November 16  
Commission Meeting, Louisville

**DECEMBER**

Thursday, December 14  
Commission Meeting, Louisville



## Investment Report – Summary

### Average Cash Balance (Carry-Over)

#### Trust and Agency Account

Cash Balance September 2016	Cash Balance September 2015	Difference	Five-Year Average Balance 2012-2016
\$447,642	\$520,899	- \$ 73,258	\$514,644

#### Education, Research & Recovery Fund

Cash Balance September 2016	Cash Balance September 2015	Difference	Five-Year Average Balance 2012-2016
\$1,008,946	\$1,133,949	- \$125,003	\$1,166,544

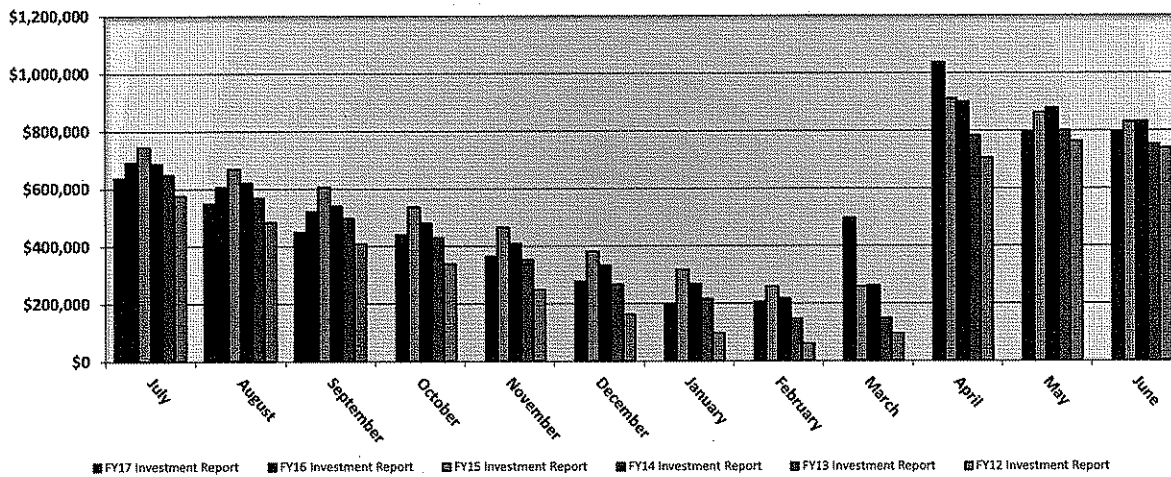
### Cash Distribution - Interest Earned

#### Trust and Agency Account      Education, Research & Recovery Fund

Interest Earned September 2016	Interest Earned September 2016
\$ 492.38	\$ 1028.25

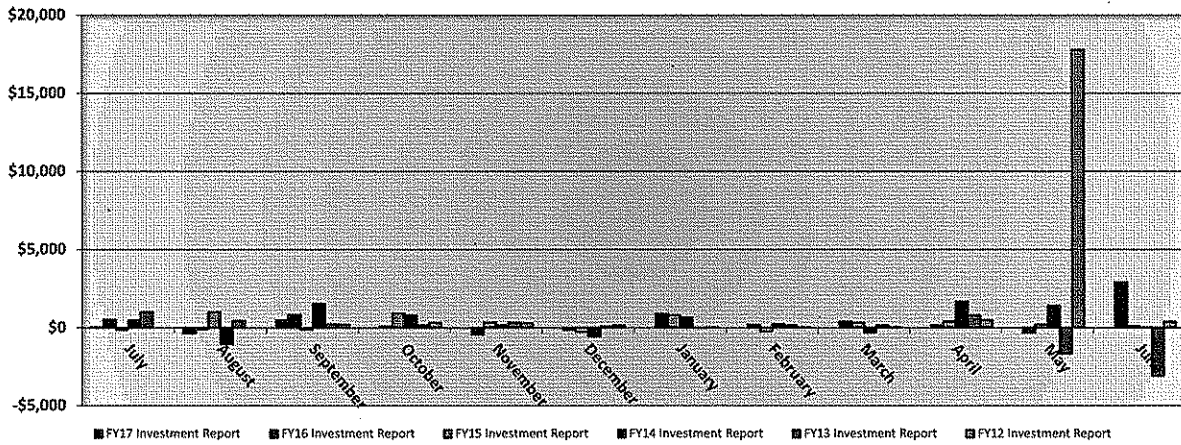
**Investment Report - Average Balance  
Operations Fund**

	July	August	September	October	November	December	January	February	March	April	May	June
Cash Account - 131X												
FY17 Investment Report	635,957	548,204	447,642									
FY16 Investment Report	691,566	605,595	520,899	439,400	364,423	276,895	198,803	205,835	497,106	1,036,514	794,199	796,157
FY15 Investment Report	745,205	669,870	605,529	537,134	466,230	381,672	318,518	259,056	259,331	911,360	861,945	830,183
FY14 Investment Report	685,295	621,164	540,462	479,559	409,181	333,812	268,734	218,327	262,720	900,139	879,220	830,791
FY13 Investment Report	648,183	568,481	496,262	429,679	353,504	268,666	216,488	147,097	149,353	782,983	800,162	752,260
FY12 Investment Report	576,205	483,586	408,067	338,738	249,306	162,213	96,739	59,551	94,666	705,012	762,950	739,047



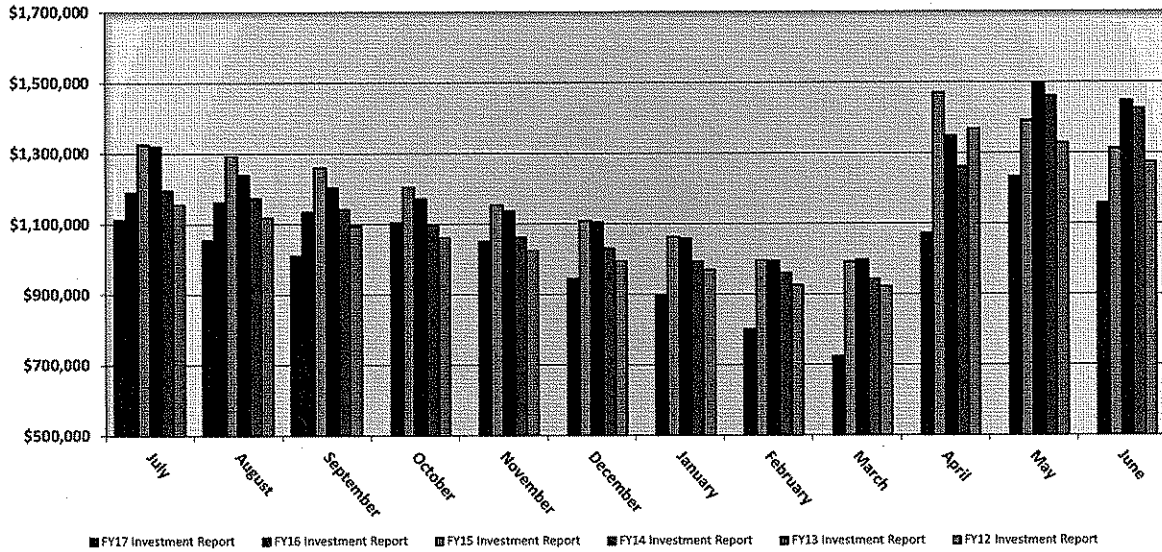
**Investment Report - Cash Distribution  
Operations Fund**

	July	August	September	October	November	December	January	February	March	April	May	June
Cash Account - 131X												
FY17 Investment Report	48	-356	492									
FY16 Investment Report	508	-98	841	79	-442	-139	889	187	407	153	-327	2,912
FY15 Investment Report	-141	1,016	-122	915	353	-291	807	-239	319	412	209	107
FY14 Investment Report	492	-1,040	1,509	800	159	-568	659	228	-302	1,667	1,415	28
FY13 Investment Report	994	439	233	161	323	78	-17	149	152	796	-1,675	-3,090
FY12 Investment Report	0	0	211	329	282	145	23	29	36	494	17,790	382



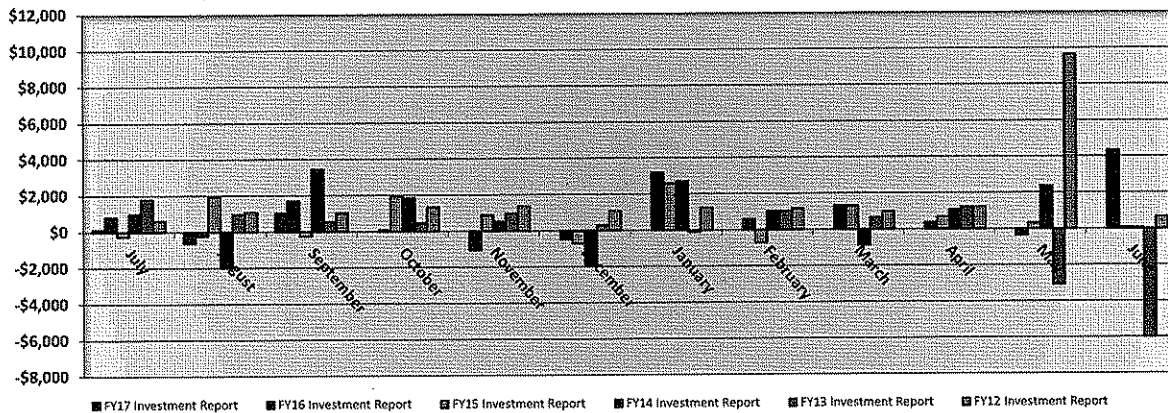
**Investment Report - Average Balance  
Education and Recovery Fund**

	July	August	September	October	November	December	January	February	March	April	May	June
Cash Account - 131Y												
FY17 Investment Report	1,111,450	1,053,628	1,008,946									
FY16 Investment Report	1,188,888	1,160,839	1,133,949	1,103,048	1,049,569	944,299	897,210	800,131	723,118	1,073,021	1,230,815	1,156,578
FY15 Investment Report	1,325,486	1,292,336	1,259,413	1,204,063	1,153,065	1,109,009	1,062,715	995,362	991,463	1,470,256	1,390,857	1,312,335
FY14 Investment Report	1,319,502	1,239,316	1,202,836	1,170,765	1,136,209	1,105,326	1,057,348	994,575	996,796	1,347,202	1,497,808	1,447,088
FY13 Investment Report	1,194,540	1,172,806	1,141,702	1,096,695	1,062,370	1,030,289	993,031	959,882	942,705	1,260,345	1,460,618	1,425,723
FY12 Investment Report	1,155,364	1,118,369	1,094,820	1,061,006	1,024,113	993,858	969,078	925,846	922,468	1,367,424	1,329,021	1,273,904



**Investment Report - Cash Distribution  
Education and Recovery Fund**

	July	August	September	October	November	December	January	February	March	April	May	June
Cash Account - 131Y												
FY17 Investment Report	113	-624	1028									
FY16 Investment Report	819	-236	1689	86	-1,067	-466	3,191	587	1,316	365	-341	4,339
FY15 Investment Report	-247	1,941	-260	1,933	878	-720	2,588	-705	1,325	675	318	65
FY14 Investment Report	1,004	-1,985	3,452	1,860	525	-1,883	2,681	1,034	-876	1,082	2,368	30
FY13 Investment Report	1,791	960	549	452	963	297	-124	1,033	655	1,219	-3,084	-5,992
FY12 Investment Report	611	1,079	1,023	1,334	1,374	1,094	1,236	1,172	997	1,218	9,651	652



**Kentucky Real Estate Commission**  
**FINANCIAL STATEMENT 16/17**  
**Trust and Agency Account**

**T & A CASH RECEIPTS:**

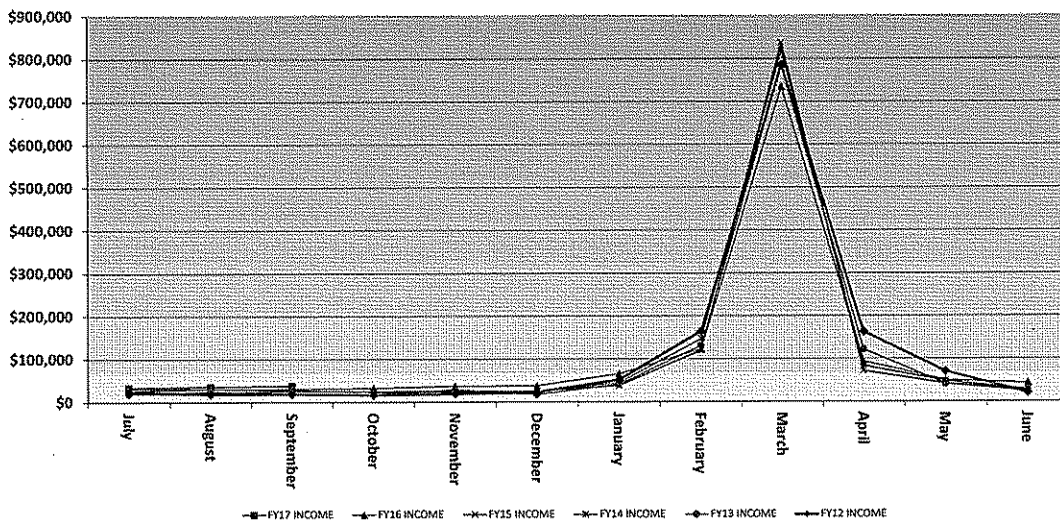
	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	YTD 16/17	YTD 15/16	Budget	% of Budget
382 Exam Fees	23,800	23,300	24,100										71,200	59,400	288,800	24.65%
383 Broker Initial	180	120	0										300	420	1,700	17.65%
383 Sales Assoc. Init. Lic.	3,330	2,670	3,270										9,270	7,620	27,700	33.47%
383 Broker Recip. Lic.	80	180	150										360	300	1,400	25.71%
383 Sales Assoc. Recip. Lic.	180	390	360										930	660	2,500	37.20%
384 Broker Renewal Lic.	0	30	80										60	60	121,700	0.05%
384 Sales Assoc. Ren. Lic.	120	160	100										240	120	246,900	0.10%
384 Escrow Broker Renewal	0	0	0										0	30	34,400	0.00%
384 Escrow Sales Renewal	0	60	0										60	30	246,900	0.02%
386 Change/Transfer Fee	1,900	2,230	2,050										6,180	7,760	25,500	24.24%
386 Escrow Fee Commence	240	270	520										1,030	890	8,100	12.72%
386 Escrow Fee Terminate	240	290	240										770	880	2,900	26.55%
386 Multiple Office	30	150	60										140	100	3,000	4.67%
401 Misc Income	0	0	0										0	0	0	0.00%
404 Service Fees	1,942	992	742										2,676	3,298	11,200	23.89%
404 Certification Fees	240	320	310										870	600	2,200	39.55%
404 Education History	100	140	110										350	320	1,300	26.92%
404 CE Course Approval	240	625	1,100										1,865	1,365	7,900	23.61%
404 Pre-License Course	300	500	710										1,510	0	700	215.71%
404 Instructor Approval	0	0	0										0	20	200	0.00%
404 E & O Processing Fees	1,530	1,400	1,610										4,540	3,940	136,000	3.34%
404 Transaction Fees	0	0	0										0	70	0	0.00%
701 Penalties and Fines	400	2,500	1,900										4,800	2,700	135,000	3.56%
771 Interest Income	48	-356	492										184	1,252	4,000	4.61%
<b>TOTAL INCOME:</b>	<b>33,850</b>	<b>35,671</b>	<b>37,814</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,335</b>	<b>91,895</b>	<b>1,310,000</b>	<b>8.19%</b>

**Kentucky Real Estate Commission  
FINANCIAL STATEMENT 16/17  
Trust and Agency Account**

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	YTD 16/17	YTD 16/16	Budget	% of Budget
<b>T &amp; A EXPENDITURES:</b>																
111 Personnel	118,458	79,020	109,494										306,973	302,738	1,055,700	29.08%
146 Computer Analyst	0	0	990										990	12,753	58,500	1.69%
150 Testing Service	23,058	13,631	14,099										51,685	23,225	32,000	56.38%
143 Architect & Engineering Services	0	0	0										0	0	0	0.00%
221 Office Rent	11,058	5,528	5,528										22,112	22,112	71,900	30.75%
232 Equipment Maintenance	111	710	206										1,028	1,667	4,000	25.70%
251 Printing/State	0	0	70										70	0	1,200	5.82%
252 Printer Vendor	0	0	0										0	0	2,300	0.00%
254 Insurance	237	0	0										237	220	9,400	2.52%
257 Misc.	152	635	371										1,058	1,118	4,100	25.80%
815 Telephone/Internet	0	1,817	1,302										2,619	2,588	21,000	12.47%
802 COT Services	0	3,596	1,239										4,834	4,837	28,000	17.27%
300 Smart Connection	1,250	0	0										1,250	1,250	5,000	25.01%
321 Office Supplies	2,810	269	1,066										4,145	3,771	13,000	31.88%
814 Wireless/Cell	0	0	0										0	0	0	0.00%
822 Computer Software	0	200	0										200	461	1,200	16.66%
346 Equipment Under \$5,000	0	0	0										0	0	5,500	0.00%
361 In State Travel	2,217	694	1,064										3,976	3,261	10,400	38.23%
362 Out State Travel	0	0	0										0	0	0	0.00%
358 Record Center Storage Fees	0	0	0										0	392	1,600	0.00%
381 Dues	0	0	0										0	0	800	0.00%
831 Computer Hardware	0	0	0										0	0	100	0.00%
801 Equipment Over \$5,000	0	0	0										0	0	0	0.00%
820 Operating Systems/Utilities	0	15,700	0										15,700	0	65,000	28.55%
357 Banking Servs & Related Fees	0	0	0										0	484	0	0.00%
<b>TOTAL EXPENDITURES:</b>	<b>160,248</b>	<b>121,200</b>	<b>135,428</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>416,876</b>	<b>380,876</b>	<b>1,440,700</b>	<b>28.94%</b>

### T & A CASH RECEIPTS

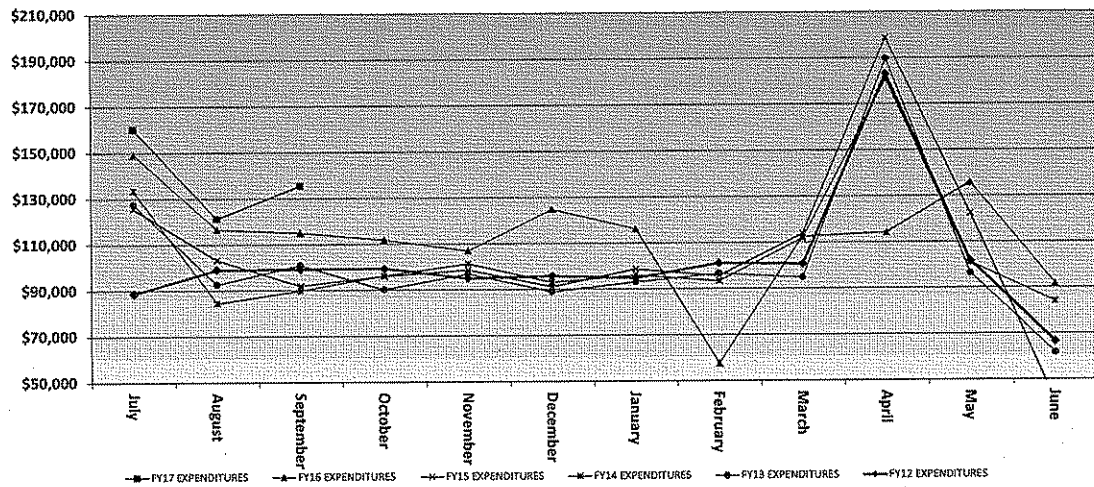
	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date
T & A CASH RECEIPTS:													
FY17 INCOME	33,850	36,671	37,814										107,335
FY16 INCOME	30,906	30,606	30,364	32,537	36,985	37,563	65,422	122,534	734,782	93,277	50,087	43,198	1,308,281
FY15 INCOME	26,591	30,620	27,814	23,048	23,129	24,999	37,466	119,219	836,907	71,634	41,766	26,639	1,289,832
FY14 INCOME	25,278	21,893	25,964	24,670	25,884	23,983	44,386	146,334	818,991	83,851	47,789	27,992	1,316,815
FY13 INCOME	19,104	24,974	20,907	17,163	28,156	17,561	40,633	130,240	782,908	121,618	40,578	24,466	1,268,308
FY12 INCOME	21,800	18,387	19,260	16,064	19,149	22,210	50,937	163,535	785,787	162,762	70,189	20,366	1,370,446





## T & A EXPENDITURES

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date
T&A EXPENDITURES:													
FY17 EXPENDITURES	160,248	121,200	135,428										416,876
FY16 EXPENDITURES	149,219	116,577	115,080	111,828	106,993	124,815	116,150	67,601	112,566	114,224	135,793	91,653	1,352,399
FY15 EXPENDITURES	125,609	103,168	91,826	96,001	98,537	91,129	98,609	95,801	113,858	198,726	122,482	40,439	1,275,985
FY14 EXPENDITURES	133,370	84,524	89,848	96,244	101,261	93,073	96,112	93,341	111,765	180,812	101,015	84,047	1,265,412
FY13 EXPENDITURES	127,494	92,592	100,886	90,158	96,913	88,945	93,101	96,621	94,757	189,719	96,297	61,788	1,229,271
FY12 EXPENDITURES	88,668	98,961	99,071	99,329	94,908	95,698	94,794	101,072	100,566	182,939	101,678	66,609	1,224,293



**Kentucky Real Estate Commission**  
**FINANCIAL STATEMENT 16/17**  
**Education, Research and Recovery Account**

July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	YTD 10/17	YTD 15/16	Budget	% of Budget
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RECOVERY CASH RECEIPTS:

383 Initial Exam Recovery	3,360	2,570	3,270									9,300	7,620	23,000	40.43%
383 Reciprocal Recovery	180	540	510									1,230	930	3,100	39.68%
384 Renewal Recovery	120	150	90									360	240	649,900	0.06%
386 Core Course	949	1,454	88									2,491	804	8,300	30.01%
701 Fines	0	0	0									0	0	0	0.00%
701 Education Fines	0	0	0									0	0	0	0.00%
771 Interest Income	113	624	1,028									517	2,272	8,000	6.46%
827 Unlicensed Practice Refund	0	0	0									0	0	0	0.00%
871 Restitution from Complaints	500	0	0									500	0	0	0.00%
881 Refund of Prior Year Expend	0	0	0									0	0	0	0.00%
<b>TOTAL INCOME:</b>	<b>5,222</b>	<b>4,190</b>	<b>4,986</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,398</b>	<b>11,866</b>	<b>692,300</b>	<b>2.08%</b>

**Kentucky Real Estate Commission  
FINANCIAL STATEMENT 16/17  
Education, Research and Recovery Account**

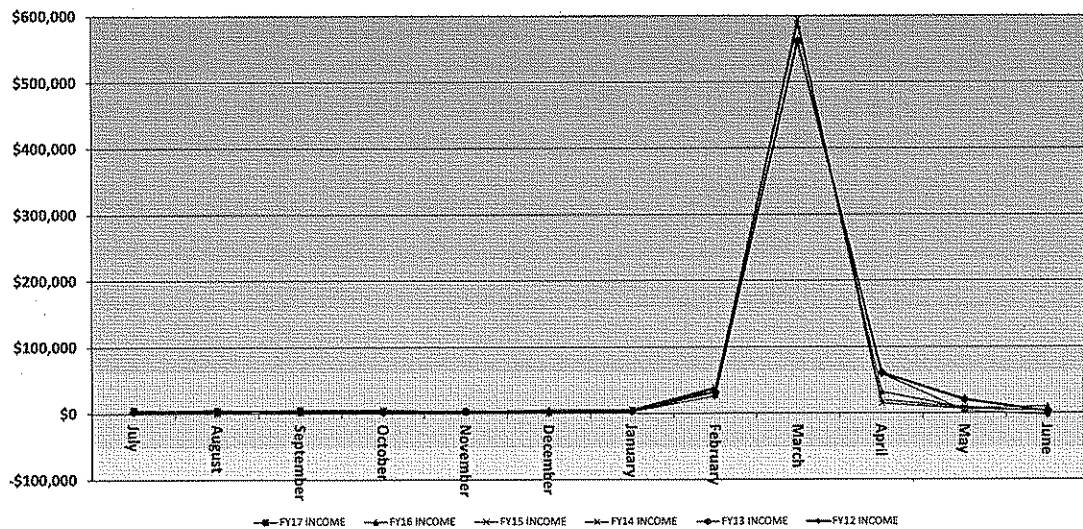
July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	YTD 10/17	YTD 15/16	Budget	% of Budget
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**RECOVERY EXPENDITURES:**

111 Personnel	38,804	26,241	25,741									90,885	51,494	396,700	22.91%
141 Legal Services (AG's Office)	0	219	250									489	1,313	15,200	3.08%
141 Legal Services	0	0	0									0	0	0	0.00%
150 Testing Services	0	0	0									0	0	0	0.00%
150 Investigative Services	0	11,755	14,376									26,131	13,428	90,000	29.03%
150 Expert Witness	0	0	0									0	0	0	0.00%
152 Court Reporter	0	0	0									0	0	0	0.00%
164 Speaker Fees	0	0	2,625									2,625	999	16,600	15.81%
221 Office Rental	3,317	1,658	1,658									6,634	6,634	19,800	33.33%
229 Room Rental	0	0	0									0	0	600	0.00%
243 Postage/Parcel Delivery	0	11	0									11	55	300	2.22%
241 Postage/Meter & Bulk	0	9	3									12	17	6,000	0.20%
251 Printing State	0	0	0									0	0	600	0.00%
252 Printing Vendor	0	0	0									0	0	0	0.00%
255 Advertising	0	0	0									0	0	0	0.00%
259 State Fair Expenses	1,038	188	0									1,226	4,793	5,000	24.51%
351 Cassette/Books	0	0	637									637	659	2,300	28.41%
361 In State Travel	0	0	0									0	0	600	0.00%
362 Out State Travel	2,075	321	0									2,896	4,940	51,000	5.69%
375 Subpoenas, Court Fees	0	0	0									0	105	600	0.00%
378 Consumer Recovery Payments	0	0	0									0	0	40,000	0.00%
381 Subscriptions	340	630	0									970	980	3,600	27.71%
399 Seminar/Retreats/Grants & Misc Exp	68	24	4,672									4,763	3,690	13,600	35.03%
417 College Grants/Scholarships	0	4,387	0									4,387	0	190,000	2.31%
358 Storage Fees of Record (electronic)	0	0	0									0	0	0	0.00%
542 On Line Subscriptions	0	663	2,016									2,679	2,147	8,200	32.67%
710 Computer Equipment	0	0	0									0	0	11,100	0.00%
820 Operating Systems/Utilities Software	0	15,700	0									15,700	0	50,000	0.00%
822 Office Software	0	0	0									0	0	7,500	0.00%
<b>TOTAL EXPENDITURES:</b>	<b>45,741</b>	<b>62,306</b>	<b>52,177</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160,225</b>	<b>91,483</b>	<b>929,800</b>	<b>17.23%</b>

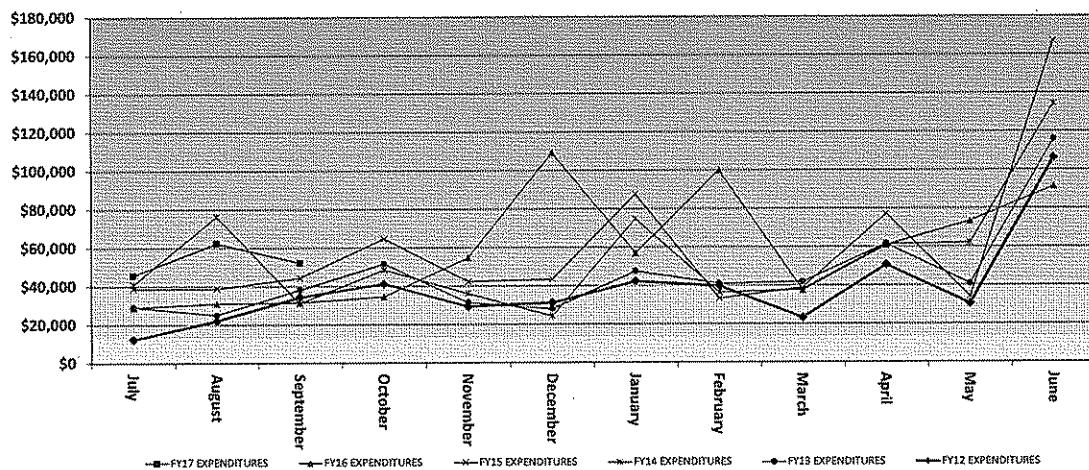
### RECOVERY CASH RECEIPTS

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date
RECOVERY CASH RECEIPTS													
FY17 INCOME	6,222	4,190	4,986										14,398
FY16 INCOME	4,275	2,992	4,599	2,476	3,311	5,664	5,921	33,917	586,916	32,087	7,235	9,963	699,356
FY15 INCOME	3,877	5,865	2,012	4,323	3,904	1,260	5,168	36,607	593,993	14,955	6,360	3,065	681,379
FY14 INCOME	4,572	535	5,582	5,402	2,475	367	5,321	38,760	587,496	19,080	9,010	3,060	681,660
FY13 INCOME	4,071	4,534	2,017	2,434	3,751	1,631	2,310	26,207	558,217	59,419	3,336	-2,848	665,079
FY12 INCOME	3,223	3,615	2,823	3,142	3,428	2,388	3,426	32,288	562,013	60,498	20,263	2,422	699,529



## RECOVERY EXPENDITURES

	July	August	September	October	November	December	January	February	March	April	May	June	Year to Date
RECOVERY EXPENDITURES:													
FY17 EXPENDITURES	45,741	62,306	52,177										160,224
FY16 EXPENDITURES	28,954	31,041	31,489	34,591	54,802	109,181	56,944	99,809	37,506	60,801	73,406	91,276	709,800
FY15 EXPENDITURES	38,832	38,823	44,329	64,686	42,380	43,383	87,677	33,251	38,843	77,056	34,023	166,972	710,255
FY14 EXPENDITURES	40,973	76,380	31,053	48,561	36,142	24,276	74,731	36,356	37,804	61,458	62,006	134,361	664,101
FY13 EXPENDITURES	29,144	25,054	38,180	51,606	31,428	28,036	47,534	41,065	41,869	61,604	40,894	115,911	552,325
FY12 EXPENDITURES	12,369	22,061	34,303	41,283	29,304	31,200	42,195	39,781	23,115	50,658	30,411	106,175	462,855



To: Commissioners  
From: Kristen L. Reese  
Date: October 13, 2016  
Subject: **Course and Instructor Approvals 2016**

**Background:**

The attached list of education providers submitted applications for review and approval by the Commission. Commission staff members have reviewed the information submitted, which includes provider, course and instructor applications. The new courses are bolded and all of the non-bolded courses are those that have been previously approved by the Commission within the last year.

Virginia Lawson has submitted a request that the Commission consider accepting the Kentucky Core Course for post-license education credit as elective credit toward the 48 hours required in post-license education. (See attachment).

**Action Required:**

Please approve the applications associated with the attached list of providers.

Commission approval is required to allow the Kentucky Core Course to meet 6 hours of post-license education elective education credit.

1. **2016 Continuing Education Course Approvals**

A. Lexington Bluegrass Assoc of Realtors

**Ninja Selling-Stop Selling-Start Solving**  
**Instructor: Don Tennesen**

**6 hours (0 law)**

2. **2016 Continuing Education & Post License Education Course Approvals**

A. Greater Louisville Assoc of Realtors

**Introduction to Dotloop**  
**Instructor: Diane Moeller**

**CE - 3 hours (0 law)**  
**PLE - 3 mandatory hours**  
**(3 Technology & Data Security)**

**Protecting Yourself-Finance, Fraud & Future**  
**Instructor: Allen Balderson, Colleen Balderson,**  
**Thomas Simms, Jr.**

**CE - 3 hours (3 law)**  
**PLE - 3 mandatory hours**  
**(3 Finance)**

**Licensee Compliance**  
**Instructor: Dennis Stilger, Harry Borders,**  
**Jennifer Fields, Kathy McGann**

**CE - 3 hours (3 law)**  
**PLE - 3 mandatory hours**  
**(3 Licensee Compliance)**

B. Ward Elliott Institute

**Licensee Compliance**  
**Instructor: Ward Elliott**

**CE - 3 hours (3 law)**  
**PLE - 3 mandatory hours**  
**(3 Licensee Compliance)**

C. Lexington Bluegrass Assoc of Realtors

**Licensee Compliance**  
**Instructor: Virginia Lawson, Jonah Mitchell, Mike Gooch**

**CE - 3 hours (3 law)**  
**PLE - 3 mandatory hours**  
**(3 Licensee Compliance)**

D. A Pass Weikel Institute

**Licensee Compliance**  
**Instructor: John Weikel II**

**CE - 3 hours (3 law)**  
**PLE - 3 mandatory hours**  
**(3 Licensee Compliance)**

E. Redd, Brown & Williams Real Estate

**Licensee Compliance**  
**Instructor: Paul David Brown**

**CE - 3 hours (3 law)**  
**PLE - 3 mandatory hours**  
**(3 Licensee Compliance)**

**3. 2016 Post License Education Course Approvals**

**A. Semonin Realtors**

**Business Planning** **PLE – 3 elective hours**  
**Instructor: Marilyn Cundiff, Stan White, Stacy Durbin**

**Fair Housing & Risk Management** **PLE – 3 mandatory hours**  
**Instructor: Austin Buchanan, Marilyn Cundiff** **(1 Fair Housing/2 Risk Mgmt)**

**Professionalism & Etiquette** **PLE – 3 elective hours**  
**Instructor: Kathryn Vaughn, Marilyn Cundiff, Stacy Durbin**



Subject	Core Class
From	<a href="#">Ginny Lawson</a>
To	Reese, Kristen (KREC)
Sent	Wednesday, May 18, 2016 9:33 AM

Kristen,

I've had a provider ask me if the Core class can be used for the PLE elective. That would be one way for new people to take it early. Several of the subjects included cover the PLE subjects. Have you considered this possibility? What do you think?

Thanks,

Ginny

Virginia L. Lawson  
 Virginia L. Lawson & Associates, P.S.C.  
 3306 Clays Mill Road, Suite 107  
 Lexington, Kentucky 40503  
 (859) 233-1882  
 (859) 296-6446 - facsimile

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Kentucky Real Estate Commission  
10200 Linn Station Road, Ste. 201, Louisville, KY 40223  
Phone: 502-429-7350  
Fax: 502-429-7246



## EDUCATION COURSE APPLICATION

Provider: LBAR Email: janice@lbar.com

### 1. COURSE TYPE:

☐ Pre-License ☒ Continuing Education ☐ Post-License Education

### 2. COURSE APPROVAL:

☒ Initial Course ☐ Pre-Approved Course

### 3. Format of Delivery:

☒ Classroom ☐ On-Line Course ☐ Live Web Cam Course

4. Course Title: Ninja Selling – Stop Selling – Start Solving.

5. Instructor(s): Don Tennesen

6. CE Course Hours: 6 Elective Law  
(If you do not apply for Law, the course will be given elective credit)

7. PLE Course Hours & Type: Number of Hours.      ☐ Mandatory ☒ Elective

If Mandatory, select applicable topic area:

☐ Licensee Compliance ☐ Agency ☐ Contracts ☐ Disclosure ☐ Risk Management  
☐ Finance ☐ Fair Housing ☐ Advertising ☐ Technology & Data Security

9. Statement Concerning How Course Will Provide Consumer Protection: Get in the right mindset – Understand belief systems and how human beings make decisions. Learn to be more effective with sellers and buyers. Have a plan to ensure that buyers and sellers get what they want.

10. Attendance Policy: Attendance will be tracked using Rapattoni Education System. Monitoring will be done using the same software and overseen by LBAR staff.

11. Tuition Range: There will be no cost to LBAR members for regular CE classes. Non-members will pay \$35 per class. We have a 48 hour cancellation policy.

12. Include with the completed application all of the following (check each item that is included):

### CLASSROOM CONTINUING & POST-LICENSE COURSE APPROVAL:

- ☒ Comprehensive timed outline for entire course (must be in 15 minute increments or less)
- ☒ Course materials
- ☒ Completed instructor application for each instructor
- ☒ \$15 per course

## Don Tennesen

### Professional Background

Don and his wife, Mary, joined The Group, Inc. in 1999 as sales partners. They have sold hundreds of homes in Weld and Larimer Counties. Don and Mary are starting their 16<sup>th</sup> year at The Group, the market leader in the northern Colorado real estate market.

From 2006-2010 Don was the Managing Broker at The Group's office in Greeley, CO. One year later Don took on the role of Learning Director at The Group. For several years he facilitated a weekly class for new sales partners at The Group. Don also teaches real estate customer service and home pricing workshops throughout the US and Canada. Over 7,000 Realtors have attended Don's real estate training sessions in the last five years.

Don is a past president of the Greeley Area Realtor Association, and has served four terms on the Board of Directors at The Group, Inc.

Prior to his real estate career, Don spent many years in the healthcare industry, teaching workshops to senior housing communities on sales, marketing, and customer service training. He grew up in the radio broadcast business and worked his way through college doing college and high school play-by-play sports broadcasts.

Mary and Don have four children and eight grandkids. They love to spend their time at family sporting events, which range from college baseball games, to high school soccer, and 5-year old t-ball. They enjoy traveling, golf, and hiking in the beautiful Colorado mountains.

### Contact Information

Don Tennesen  
The Group, Inc.  
5401 Stone Creek Blvd.  
Loveland, CO 80538

970-613-0700 Office  
970-396-1993 Mobile

[dtennessen@thegroupinc.com](mailto:dtennessen@thegroupinc.com)  
[www.DonTennesen.com](http://www.DonTennesen.com)

Kentucky Real Estate Commission  
10200 Linn Station Road, Ste. 201, Louisville, KY 40223  
Phone: 502-429-7350  
Fax: 502-429-7246



## EDUCATION COURSE APPLICATION

Provider: Greater Louis. Assoc. of REALTORS Email: education@louisvillerealtors.com

### 1. COURSE TYPE:

☐ Pre-License ☒ Continuing Education ☒ Post-License Education

### 2. COURSE APPROVAL:

☒ Initial Course ☐ Pre-Approved Course

### 3. Format of Delivery:

☒ Classroom ☐ On-Line Course ☐ Live Web Cam Course

4. Course Title: Introduction to dotloop

5. Instructor(s): Diane L. Moeller

6. CE Course Hours: 3 Elective Law  
(If you do not apply for Law, the course will be given elective credit)

7. PLE Course Hours & Type: Number of Hours: 3 ☒ Mandatory ☐ Elective

If Mandatory, select applicable topic area:

☐ Licensee Compliance ☐ Agency ☐ Contracts ☐ Disclosure  
☐ Finance ☐ Fair Housing ☐ Advertising ☒ Technology & Data Security

9. Statement Concerning How Course Will Provide Consumer Protection:

Will help agents learn how to create and retain clear records for their clients.

Pre-registration is required, 24-hour notice needed for refund, 10 mins. for late-

10. Attendance Policy: come on time then no admittance. sign-in sheet & evaluation signatures required for CE

11. Tuition Range: \$15-\$25 for Members and \$35-45 for Non-Members

12. Include with the completed application all of the following (check each item that is included):

### CLASSROOM CONTINUING & POST-LICENSE COURSE APPROVAL:

- ☐ Comprehensive timed outline for entire course (must be in 15 minute increments or less)
- ☐ Course materials
- ☐ Completed instructor application for each instructor
- ☐ \$15 per course

## Diane L. Moeller, CPA

Greater Louisville, Kentucky Area | 419.215.5338 | dianemoeller@gmail.com | www.linkedin.com/in/dianemoeller

### Manager / Program Coordinator

Highly organized, detail oriented professional who improves the pulse of the business. Known for leading synergistic teams while driving customer satisfaction. Proven ability lead, analyze, solve, organize, execute and communicate.

M.B.A., Finance. B.S., Accounting. CPA since 1995. Core competencies include:

- **Office management.** Known for streamlining processes. Service oriented with excellent time management, administrative and organizational skills. At Keller Williams, developed new agent orientation program for over 25 agents, including 2 mega team transfers. At Country Lake, developed and implemented the system for housing 10,000 tornado rebuilding volunteers, including 1,500 in the first six weeks, while continuing to coordinate all retreat functions. Highly proficient with Microsoft Word, Excel, PowerPoint, and Outlook.
- **Accounting and management reporting.** Experienced in managing and reporting payables, receivables, payroll, and cash. Adept at consolidated financial statements, budgeting, account reconciliation, and internal controls. At Keller Williams, completed prior 4 years' bank reconciliations for 7 accounts. At Hickory Farms, performed all the financial reporting for a \$180M business. At Manitowoc, served as controller for 2 businesses in the \$40-80M range; reduced month-end close by 33% – from three days to two.
- **Project management.** Passionate and skilled leader of improvement initiatives. At Keller Williams developed agent policy manual with assistance from Leadership Council. At Manitowoc, sponsored, managed, or served as a key activity manager on more than two dozen projects that lasted up to six months and had as many as seven team members. Led the implementation of Oracle ERP accounting modules at two locations. Served on the product cost take out team that saved more than \$3M in three years.

### Professional Experience

**2014 to Present | My Virtual Right Hand, LLC | Jeffersonville, Indiana**

*My Virtual Right Hand provides an avenue for real estate agents to outsource administrative functions and also offers training on several programs.*

#### Owner

- Perform bookkeeping in three states; services include training, 1099's, monthly financial statements, training, bill pay, and weekly forecasted revenue
- Provide contract to close services by communicating with the client, co-op agent, title company and lender
- Certified trainer in dotloop, a paperless system for agents to process and store documents

**2014 – 2014 | Robert Half Finance & Accounting | Louisville, Kentucky**

*Robert Half Finance & Accounting is the world's first and largest specialized financial recruitment agency.*

#### Interim Accounting Manager | Kentucky Telco Credit Union

- Developed manual for monthly reporting using SQL, Excel, and Access
- Coordinated annual audit with NCUA
- Simplified daily and monthly Excel reports allowing less user input and manipulation
- Managed investment activity for jumbo CDs and government investments, including interest, purchasing and maturities

**2013 – 2014 | Keller Williams Realty Consultants | New Albany, Indiana**

*Keller Williams is the largest franchised real estate company in North America with over 700 offices.*

#### Operations Manager

- Responsible for monthly financial operations of local office, driven by an average of 60 agents closing approximately 70 units a month.
- Completed prior 4 years' bank reconciliations for 7 accounts.
- Developed new agent orientation program to acclimate agents to company and introduce to company technology.
- Developed agent policy manual with assistance of Leadership Council.
- Assisted agents with MLS input and technology issues.

- Added 6 outside vendors to office sponsorship program; increased revenue by \$1,500/month.

**2013 – 2013 | Kelly Services | Louisville, Kentucky**

*Kelly Services offers world-class staffing on a temporary, temporary-to-hire and direct-hire basis.*

**Exception Processor | Republic Bank/Tax Recovery Systems**

- Investigated escalated inquiries regarding ID verification, funds transfer, and other transactional requests.

**2011 – 2013 | Country Lake Retreat | Underwood, Indiana**

*Country Lake (countryslake.org) is a non-profit summer camp and year-round retreat serving 13K guests annually.*

**Booking Coordinator and Receptionist**

- Responsible for booking all events and retreats, including accommodations; approximately 24 events a month.
- Maintained guest schedule for kitchen, retreat and summer staff.
- Coordinated with staff the meals, dietary needs, room set up and AV needs, transportation and activities.
- Provided office manager information to bill event coordinator.
- Responsible for guest relations including phones, greeting guests and signage (inside/outside building).
- Coordinated registration for several "turn-key" retreats.
- Coordinated accommodations for over 10,000 volunteers rebuilding communities after March 2012 tornado.

**2010 – 2011 | Kforce Staffing and Solutions | Louisville, Kentucky**

*Kforce (kforce.com) is a staffing firm with offices in Louisville.*

**Financial Analyst | LG&E**

- Prepared year-end schedules for audit and annual report, including fixed assets, accounts receivables, pension, and various reserves.
- Key contributor on the annual report team for three companies, including reconciliation and validation of all financial statement notes and tables.

**2005 – 2010 | Manitowoc Inc.**

*Manitowoc (manitowoc.com) is a publicly held global leader in the manufacture of cranes and food service equipment.*

**Controller – Manitowoc Beverage Equipment | Sellersburg, Indiana | 2007 – 2010**

- Managed team of three. Responsible for financial operations (budget and actual) at two manufacturing locations (Indiana and California) and two distribution facilities (Virginia and California) with internal and third-party sales of \$80M.
- Accounting lead for Oracle upgrade and 2010 Los Angeles implementation.
- Reduced month-end close 33% – from three days to two.
- Appealed personal property tax assessment based on an illegality, which resulted in \$52K refund.

**Controller – Manitowoc Beverage Systems | Holland, Ohio | 2005 – 2007**

- Managed team of five. Responsible for financial operations (budget and actual) for this site, distribution headquarters, and three DC's (Ohio, Virginia, and California) with annual sales of \$40M.
- Served as accounting lead for Oracle ERP implementation for the business unit; championed other business units.
- Reduced past due accounts receivable from \$1M to \$9K prior to Oracle implementation.
- Developed reports and trained sales representatives on data extraction.
- Developed 30+ complex management reports to replace legacy reports as part of the Oracle implementation.
- Performed the analysis and presented the business case to close this site to save \$300K annually.

**2001 – 2005 | Holcim (US) Inc. | Dundee, Michigan**

*Swiss-based Holcim (holcim.com/us), is a leading supplier of cement and aggregates with U.S. sales of \$1B.*

**Senior Financial Analyst**

- Managed and consolidated annual budgeted financial statements for all U.S. operations, which consisted of nine plants in six regions. Prepared rolling 12-month cash forecast for parent company.
- Served as department's lead for parent company's new accounting procedures; traveled to Budapest for training.

- Developed Excel model used by plants for budgeted financial statements.

**1998 – 2001 | Hickory Farms, Inc. | Maumee, Ohio**

*Hickory Farms is a privately held firm that sells high end foods with sales of \$180M.*

**Manager of Financial Reporting**

- Managed team of three; in charge of all financial reporting for three divisions and one subsidiary (Canada).
- Developed monthly financial presentations for the Executive Committee.
- Prepared audit and tax work papers for outside auditors.
- Responsible for all federal, state, and local income, sales, and property tax audits.
- Developed Access database to track company's \$8M per year capital spending.

**1994 – 1998 | Dana Holding Corporation | Maumee, Ohio**

*Dana is a Tier 1 automobile supplier that at the time had sales of \$12B.*

**Financial Analyst**

- Consolidated seven facilities and all reporting to Corporate office for actual, projected and budgeted amounts.
- Led annual budget preparation, including \$8M in expenses and \$4M in capital for seven facilities and seven marketing divisions. Prepared division's annual financial plan for company's Policy Committee.
- Developed Access financial database used by facilities for monthly closing and budgeting.
- Developed Lotus Notes database to track equipment leases.

**1992 – 1994 | Plante Moran, CPA's | Sylvania, Ohio**

*Plante Moran, previously known as Nachtraub, Cousino, O'Neil, Truehaft & Company, is a public accounting firm.*

**Staff Accountant**

- Performed audits, reviews, and compilations for clients.
- Developed clients' projected financial statements.

**Education**

MBA, Finance | University of Findlay | Findlay Ohio | 1999

BS, Accounting, Minor in Speech Communication | Indiana University | Bloomington, Indiana | 1992

**Professional Memberships and Activities**

- Indiana Society of Certified Public Accountants; CPA since 1995
- Advisor for Alpha Delta Pi Chapter and House Corporation— Indiana University 2008 to present
- Volunteer at Country Lake Retreat -- 2011

Kentucky Real Estate Commission  
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Phone: 502-429-7350  
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**EDUCATION COURSE APPLICATION**

Provider: Greater Louis. Assoc. of REALTORS Email: education@louisvillerealestate.com

**1. COURSE TYPE:**

☐ Pre-License ☒ Continuing Education ☒ Post-License Education

**2. COURSE APPROVAL:**

☐ Initial Course ☐ Pre-Approved Course

**3. Format of Delivery:**

☒ Classroom ☐ On-Line Course ☐ Live Web Cam Course

**4. Course Title:** Protecting Yourself: Finance, Fraud & Future

**5. Instructor(s):** Allen Balderson, Colleen Balderson, Thomas Simms, Jr.

**6. CE Course Hours:** 3 Elective 3 Law

(If you do not apply for Law, the course will be given elective credit)

**7. PEE Course Hours & Type:** Number of Hours: 3 ☒ Mandatory ☐ Elective

If Mandatory, select applicable topic area:

☐ Licensee Compliance ☐ Agency ☐ Contracts ☐ Disclosure  
☒ Finance ☐ Fair Housing ☐ Advertising ☐ Technology & Data Security

**9. Statement Concerning How Course Will Provide Consumer Protection:** Comprehensive training program designed to assist real estate professionals to protect themselves against fraud and how to protect their business and plan for retirement.

**10. Attendance Policy:** Sign in sheet, evaluations

**11. Tuition Range:**

**12. Include with the completed application all of the following (check each item that is included):**

**CLASSROOM CONTINUING & POST-LICENSE COURSE APPROVAL:**

☐ Comprehensive timed outline for entire course (must be in 15 minute increments or less)  
☐ Course materials  
☐ Completed instructor application for each instructor  
☐ \$15 per course



10213 Linn Station Road # 2  
Louisville, KY 40223  
502-425-8717  
Colleen@EnglishLawGroup.com

## **COLLEEN ENGLISH BALDERSON, ESQUIRE**

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### **Employment History:**

ENGLISH LAW GROUP, PSC/CHEROKEE TITLE COMPANY      May 2006-Present  
Partner

DAYMAR COLLEGE  
Adjunct Professor – Legal Writing and Research

Sept 2009 – June 2009

### **Education:**

NORTHERN KENTUCKY UNIVERSITY/SALMON P. CHASE COLLEGE OF LAW, Highland Heights, Kentucky, 2006 J.D.

Honors: Dean's List

Honors: Commonwealth Legal Scholarship, (2003-2006)

Honors: Who's Who of American Law Students, (2004-2005)

UNIVERSITY OF DAYTON, Dayton, Ohio, 2001 B.A.

Honors: Leadership Scholarship, (1997-2001)

Major: Public Relations / Sociology

### **Bar Admissions:**

Kentucky, 2006

Indiana, 2006

U.S. District Court Southern District of Indiana

U.S. District Court Northern District of Indiana

U.S. District Court Western District of Kentucky

U.S. District Court Eastern District of Kentucky

### **Professional Associations and Memberships**

Kentucky

Louisville Bar Association

American Bar Association

Indiana Bar Association

Mortgage Bankers Association of Louisville

Greater Louisville Association of Realtors (GLAR)

Southern Indiana Association of Realtors (SIRA)

Women's Council of Realtors

Greater Louisville Inc.

Jeffersontown Chamber of Commerce

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## **Thomas Simms, Jr.**

4425 Dannywood Road • Louisville, KY 40220 • (502) 939-3259 • tbsimms@yahoo.com

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### **EDUCATION**

Salmon P. Chase College of Law, Northern Kentucky University Juris Doctor, 2011	2007-2011
University of Louisville, Louisville, Kentucky Masters of Arts in Teaching in Social Studies, 1986	1983-1986
University of Louisville, Louisville, Kentucky Bachelor of Arts in Political Science, 1981 Secondary Teaching Certificate <i>Honors/Activities:</i> Dean's List; Pi Sigma Alpha- Political Science Honorary	1977-1981

### **PROFESSIONAL EXPERIENCE**

English Law Group Closing Attorney <ul style="list-style-type: none"><li>• Real estate law/closing agent</li></ul>	September, 2015 -- present
St Albert the Great School Assistant Principal <ul style="list-style-type: none"><li>• Evaluate teachers</li><li>• Provide discipline</li><li>• Evaluate and revise policy</li><li>• Provide input for budget</li></ul>	August, 2013-August, 2015
Jefferson County Attorney's Office Staff Attorney, Child Support Division <ul style="list-style-type: none"><li>• Responsible for all aspects of the establishment, enforcement and prosecution of child support cases</li><li>• Review and modify support orders</li><li>• Responsible for directing the work of the prosecution team</li></ul>	May, 2012-July, 2013
Saint Xavier High School Teacher <ul style="list-style-type: none"><li>• Taught Advance Placement Comparative Government and Politics to Seniors</li><li>• Coached, Soccer Team (State Championship 2000, 2002, 2003, 2007, 2008)</li><li>• Coordinated student activities and foreign travel to promote student intellectual and social growth</li></ul>	1988-2012
Trinity High School Teacher <ul style="list-style-type: none"><li>• Taught Honors Social Studies</li><li>• As Department Chairperson, supervised teachers and implemented school policy</li><li>• Selected to Principle's staff to organize school actives and discuss and approve school policy</li><li>• As Faculty Senate member, promoted needs of faculty and students to the principal</li></ul>	1981-1988

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**St. Regis Park City Council**

2002-2005, 2007-2011

- Elected Council Person
- Advise on city contracts
- Coordinate city activities and service
- Answer inquiries and address concerns of citizens

**AWARDS**

Teacher of the Year- Trinity High School

Teacher of the Year- Saint Xavier High School

Border Excellence in Teaching Award- Saint Xavier High School

**VOLUNTEER EXPERIENCE**

Project Warm- Assisted in weatherproofing homes (2008)

Ascension Church- Have served on Parish Counsel, School Board, and committees (1977-Present)

Ronald McDonald House- Assist with the preparation and service of meals (2001-Present)

1650 Lyndon Farm Court Ste. 102  
Louisville, KY 40223  
502-653-3345  
[allen.balderson@wslife.com](mailto:allen.balderson@wslife.com)

## **ALLEN BALDERSON, NSSA**

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### **Employment History:**

WESTERN & SOUTHERN LIFE  
Staff Manager/Branch Manager

November 2009-Present

- Recruiting
- Training
- Sales

### **Education:**

B.S., COMPUTER INFORMATION SYSTEMS, UNIVERSITY OF LOUISVILLE  
A.A., ACCOUNTING, UNIVERSITY OF PHOENIX

### **Professional Associations and Memberships**

NAIFA  
Jeffersontown Chamber of Commerce  
LIMRA  
FINRA

### **Licenses**

Kentucky Life and Health  
Indiana Life and Health  
Ohio Life and Health  
Virginia Life and Health  
LTC Partnership  
Series 6  
Series 63  
NSSA

Kentucky Real Estate Commission  
10200 Linn Station Road, Ste. 201, Louisville, KY 40223  
Phone: 502-429-7350  
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Form E102



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Kentucky Real Estate Commission

## EDUCATION COURSE APPLICATION

Provider: Semonin Realtors

Email: mcundiff@semonin.com

### 1. COURSE TYPE:

☐ Pre-License ☐ Continuing Education ☒ Post-License Education

### 2. COURSE APPROVAL:

☒ Initial Course ☐ Pre-Approved Course

### 3. Format of Delivery:

☒ Classroom ☐ On-Line Course ☐ Live Web Cam Course

4. Course Title: Business Planning

5: Instructor(s): Marilyn Cundiff - Stan White - Stacy Durbin

6. CE Course Hours: \_\_\_\_\_ Elective \_\_\_\_\_ Law  
(If you do not apply for Law, the course will be given elective credit)

7. PLE Course Hours & Type: Number of Hours: 3 ☐ Mandatory ☒ Elective

If Mandatory, select applicable topic area:

☐ Licensee Compliance ☐ Agency ☐ Contracts ☐ Disclosure  
☐ Finance ☐ Fair Housing ☐ Advertising ☐ Technology & Data Security

9. Statement Concerning How Course Will Provide Consumer Protection:  
Help raise the standard of professionalism in our industry by reviewing pathways to professionalism and an understanding of Business etiquette

10. Attendance Policy: Follow state guidelines by signing in and monitoring class attendance.

11. Tuition Range: none

12. Include with the completed application all of the following (check each item that is included):

### CONTINUING & POST-LICENSE COURSE APPROVAL:

- ☒ Comprehensive timed outline for entire course (must be in 15 minute increments or less)
- ☒ Course materials
- ☒ Completed instructor application for each instructor
- ☒ \$15 per course

# Stacy Durbin

---

SEMONIN REALTORS  
600 N. Hurstbourne Pkwy #200  
Louisville KY 40222

Phone: 502-394-6154  
E-mail: sdurbin@semonin.com

## **Objective**

Facilitate Kentucky Post License Continuing Education within Semonin Realtors

## **Qualifications**

Skilled in communication and motivation groups and individuals to achieve goals.  
Experience in teaching and facilitating educational classes.

## **Work History**

2002-2004 Sales Manager Coach Retail Stores, Louisville KY  
2004 - Present Semonin Realtors  
2004— Licensed as a Sales Associate in Kentucky affiliated with Semonin Realtors  
2009— Corporate Business Development Manager for Semonin Realtors  
2012— Director of Relocation, Semonin Realtors  
2015— Present—Sales Manager/Certified Master Coach, Semonin Realtors

## **Education**

1998-2002 Bachelor of Business & Administration from University of Kentucky  
2004— Kentucky State Real Estate License for Sales Associate  
2006— Kentucky State Real Estate License for Broker Associate  
2016— Certified Master Coach, Real Estate Leadership Company

## **References**

Bradley J DeVries - CEO of HomeServices of Kentucky

# **Marilyn Cundiff**

---

SEMONIN REALTORS  
600 N. Hurst bourne Pkwy #200  
Louisville KY 40222

Phone: 502-420-5164  
E-mail: mcundiff@semonin.com

## **Objective**

Facilitate and Supervise Kentucky Post License Continuing Education within Semonin Realtors

## **Qualifications**

Skilled in communication and motivation groups and individuals to achieve goals.  
Extensive experience in teaching and coordinating education programs.

## **Work History**

1979—2002 JCPenney Company  
Managing and Developing Sales in Stores and Regions

2003 - Present Semonin Realtors

2003— Licensed as a Sales Associate in Kentucky affiliated with Semonin Realtors  
2004— Assistant Sales Manager for Semonin Realtors  
2005— Sales Manager  
2006— Sales Manager for large office Semonin Realtors approx. 100 agents  
2011— Present—Sales Manager and Director of Training for Semonin Realtors approx. 475 agents

## **Education**

1975 -1979 Bachelor of Science from Cumberland College Williamsburg KY  
2003— Kentucky State Real Estate License for Sales Associate  
2005— Kentucky State Real Estate License for Broker Associate  
2005 - Buffini Certified Mentor

## **References**

Bradley J DeVries - CEO of HomeServices of Kentucky

## **Resume for Stan White:**

**November 1998 – Present**

**Semonin Realtors**

**Licensed Real Estate Realtor (11/30/1998)**

**Licensed Real Estate Broker (8/1/2001)**

Listing and selling residential properties

**Assistant to Broker – 2000 – 2009**

Responsibilities included but not limited to training all new affiliates in a 100+ agent office. Created and facilitated training programs that were implemented throughout the Semonin Company

**Sales Manager/Managing Broker 2009 – 2011**

Managed office of 100+ agents, facilitated and supervised the training of all agents at varying level of experience.

**January 2011 – Present**

**Semonin Realtors**

**General Sales Manager**

Supervision and oversight of over 500 agents and staff

Created training programs for mid to high producers. Facilitated "Semonin Way" training program.

Responsibilities include day to day operations, recruiting, training, and managing sales associates.

Subject matter for training agents as an instructor includes all aspects of real estate including, but not limited to, agency relationships, ethics, fair housing, sales and purchase agreements, listing contracts, and Business Planning etc.

**Professional**

**Licensed Real Estate Broker**

**Member National Association of Realtors**

**Member Kentucky Association of Realtors**

**Member Greater Louisville Association of Realtors**

**Member GLAR Professional Standards Committee**

**Member MSI Board of Directors**

**Past Chairman and member of GLAR Forms**





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# EDUCATION COURSE APPLICATION

Provider: \_\_\_\_\_ Email: \_\_\_\_\_

## 1. COURSE TYPE:

☐ Pre-License ☐ Continuing Education ☒ Post-License Education

## 2. COURSE APPROVAL:

☒ Initial Course ☐ Pre-Approved Course

## 3. Format of Delivery:

☒ Classroom ☐ On-Line Course ☐ Live Web Cam Course

4. Course Title: FAIR HOUSING + RISK MANAGEMENT

5. Instructor(s): AUSTIN BUCHANAN - MARILYN CONDIT

6. CE Course Hours: \_\_\_\_\_ Elective \_\_\_\_\_ Law  
(If you do not apply for Law, the course will be given elective credit)

7. PLE Course Hours & Type: Number of Hours: 3 ☒ Mandatory ☐ Elective

If Mandatory, select applicable topic area:

☐ Licensee Compliance ☐ Agency ☐ Contracts ☐ Disclosure risk Mgmt - 2  
☐ Finance ☒ Fair Housing 1 ☐ Advertising ☐ Technology & Data Security

9. Statement Concerning How Course Will Provide Consumer Protection: WILL EDUCATE LICENSEES ON APPLICABLE LAW FOR FAIR HOUSING AND PROVIDE UP TO DATE RISK MANAGEMENT TECHNIQUES TO ELIMINATE PROBLEMS + LITIGATION FOR CLIENTS.

10. Attendance Policy: STUDENTS MAY NOT MISS MORE THAN 15 MINUTES

11. Tuition Range: \_\_\_\_\_

12. Include with the completed application all of the following (check each item that is included):

## CONTINUING & POST-LICENSE COURSE APPROVAL:

- ☒ Comprehensive timed outline for entire course (must be in 15 minute increments or less)
- ☒ Course materials
- ☒ Completed instructor application for each instructor
- ☒ \$15 per course

## AUSTIN R. BUCHANAN

600 N. Hurstbourne Pkwy, #200, Louisville, KY 40222 • abuchanan@homeservicesky.com

### EDUCATION

BRANDEIS SCHOOL OF LAW, Louisville, KY  
Juris Doctor

May 2014

**Sports and Entertainment Law Society**

2011-2014

UNIVERSITY OF LOUISVILLE, Louisville, KY  
BSBA in Political Science

May 2011

**Trustee's Scholarship**

May 2007

- Awarded for spectacular grades and entrance exam scores from school's trustees and maintained throughout four year collegiate career

**Pi Sigma Alpha Honor Society**

March 2010

- Offered to students who excelled in the Political Science major

**President Sigma Phi Epsilon**

2009

University of Louisville, Kentucky Beta Chapter

### EXPERIENCE

**V.P. of Education Compliance**

May 2015-Present

Homeservices of Kentucky

- In House Counsel for Homeservices of Kentucky
- Ensure compliance with all State and Federal regulations of the real estate industry
- Coordinate with outside counsel on current litigation or potential litigation

**Administrator**

May 2015-Present

Homeservices Real Estate Academy

- Oversee the Real Estate Academy that assists those wishing to be licensed agents
- Coordinate with instructors for continuing education

**Closing Attorney**

June 2014-May 2015

Pitt and Frank Attorneys

- Conducted Residential and Commercial Closings
- Reviewed Title Commitments and Title Examinations

**Legal Clerk/ Paralegal**

July 2012-Present

Lawrence & Lawrence, PLLC

- Drafted Pleadings, Responses, Correspondence, and Discovery
- Met with clients for document signings
- Attended hearings, trials, and depositions

### PROFESSIONAL LICENSES/MEMBERSHIPS

Kentucky Bar Exam July 2014 Pass

KBA No. 96100

# **Marilyn Cundiff**

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SEMONIN REALTORS  
600 N. Hurst bourne Pkwy #200  
Louisville KY 40222

Phone: 502-420-5164  
E-mail: mcundiff@semonin.com

## **Objective**

Facilitate and Supervise Kentucky Post License Continuing Education within  
Semonin Realtors

## **Qualifications**

Skilled in communication and motivation groups and individuals to achieve goals.  
Extensive experience in teaching and coordinating education programs.

## **Work History**

1979—2002 JCPenney Company  
Managing and Developing Sales in Stores and Regions

2003 - Present Semonin Realtors

2003— Licensed as a Sales Associate in Kentucky affiliated with Semonin Realtors  
2004— Assistant Sales Manager for Semonin Realtors  
2005— Sales Manager  
2006— Sales Manager for large office Semonin Realtors approx. 100 agents  
2011— Present—Sales Manager and Director of Training for Semonin Realtors approx. 475 agents

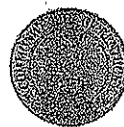
## **Education**

1975 —1979 Bachelor of Science from Cumberland College Williamsburg KY  
2003— Kentucky State Real Estate License for Sales Associate  
2005— Kentucky State Real Estate License for Broker Associate  
2005 - Buffini Certified Mentor

## **References**

Bradley J DeVries - CEO of HomeServices of Kentucky

Kentucky Real Estate Commission  
10200 Linn Station Road, Ste. 201, Louisville, KY 40223  
Phone: 502-429-7350  
Fax: 502-429-7246



RECEIVED

EDUCATION COURSE APPLICATION

AUG 10 2016

Provider: Semonin Realtors

Email: mcundiff@semonin.com

Kentucky Real Estate Commission

1. COURSE TYPE:

☐ Pre-License ☐ Continuing Education ☒ Post-License Education

2. COURSE APPROVAL:

☒ Initial Course ☐ Pre-Approved Course

3. Format of Delivery:

☒ Classroom ☐ On-Line Course ☐ Live Web Cam Course

4. Course Title: Professionalism and Etiquette

5: Instructor(s): Kathryn Vaughn - Marilyn Cundiff - Stacy Durbin

6. CE Course Hours: \_\_\_\_\_ Elective \_\_\_\_\_ Law  
(If you do not apply for Law, the course will be given elective credit)

7. PLE Course Hours & Type: Number of Hours: 3 ☐ Mandatory ☒ Elective

If Mandatory, select applicable topic area:

☐ Licensee Compliance ☐ Agency ☐ Contracts ☐ Disclosure  
☐ Finance ☐ Fair Housing ☐ Advertising ☐ Technology & Data Security

9. Statement Concerning How Course Will Provide Consumer Protection:  
Help raise the standard of professionalism in our industry by reviewing pathways to professionalism and an understanding of Business etiquette

10. Attendance Policy: Follow state guidelines by signing in and monitoring class attendance.

11. Tuition Range: none

12. Include with the completed application all of the following (check each item that is included):

CONTINUING & POST-LICENSE COURSE APPROVAL:

- ☒ Comprehensive timed outline for entire course (must be in 15 minute increments or less)
- ☒ Course materials
- ☒ Completed instructor application for each instructor
- ☒ \$15 per course

# **Marilyn Cundiff**

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SEMONIN REALTORS  
600 N. Hurstbourne Pkwy #200  
Louisville KY 40222

Phone: 502-420-5164  
E-mail: mcundiff@semonin.com

## **Objective**

Facilitate and Supervise Kentucky Post License Continuing Education within  
Semonin Realtors

## **Qualifications**

Skilled in communication and motivation groups and individuals to achieve goals.  
Extensive experience in teaching and coordinating education programs.

## **Work History**

1979—2002 JCPenney Company  
Managing and Developing Sales in Stores and Regions

2003 - Present Semonin Realtors

2003— Licensed as a Sales Associate in Kentucky affiliated with Semonin Realtors  
2004— Assistant Sales Manager for Semonin Realtors  
2005— Sales Manager  
2006— Sales Manager for large office Semonin Realtors approx. 100 agents  
2011— Present—Sales Manager and Director of Training for Semonin Realtors approx. 475 agents

## **Education**

1975 -1979 Bachelor of Science from Cumberland College Williamsburg KY  
2003— Kentucky State Real Estate License for Sales Associate  
2005— Kentucky State Real Estate License for Broker Associate  
2005 - Buffini Certified Mentor

## **References**

Bradley J DeVries - CEO of HomeServices of Kentucky

## **Stacy Durbin**

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SEMONIN REALTORS  
600 N. Hurstbourne Pkwy #200  
Louisville KY 40222

Phone: 502-394-6154  
E-mail: sdurbin@semonin.com

### **Objective**

Facilitate Kentucky Post License Continuing Education within Semonin Realtors

### **Qualifications**

Skilled in communication and motivation groups and individuals to achieve goals.  
Experience in teaching and facilitating educational classes.

### **Work History**

2002-2004 Sales Manager Coach Retail Stores, Louisville KY  
2004 - Present Semonin Realtors  
2004— Licensed as a Sales Associate in Kentucky affiliated with Semonin Realtors  
2009— Corporate Business Development Manager for Semonin Realtors  
2012— Director of Relocation, Semonin Realtors  
2015— Present—Sales Manager/Certified Master Coach, Semonin Realtors

### **Education**

1998-2002 Bachelor of Business & Administration from University of Kentucky  
2004— Kentucky State Real Estate License for Sales Associate  
2006— Kentucky State Real Estate License for Broker Associate  
2016— Certified Master Coach, Real Estate Leadership Company

### **References**

Bradley J DeVries - CEO of HomeServices of Kentucky

# Kathryn Vaughn

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SEMONIN REALTORS  
600 N. Hurst bourne Pkwy #200  
Louisville KY 40222

Phone: 502-592-4174  
E-mail: kvaughn@semonin.com

## **Objective**

Assist in facilitating Kentucky Post License Continuing Education within  
Semonin Realtors

## **Qualifications**

Skilled in communication and motivation groups and individuals to achieve goals.  
Experience in teaching and organizing education and training programs.

## **Work History**

1972-1980—Sales and Accounting, McGinty Dodge  
1980-1991—Marketing and Purchasing Manager, Speedway Petroleum  
1991-1994—Liggett Tobacco Sales Representative  
1994-2014—Realtor with Semonin Realtors  
2014-Present—Sales Manager for Semonin Realtors

## **Education**

1972-1974 University of Indianapolis  
1994— Kentucky State Real Estate License for Sales Associate

## **References**

Bradley J DeVries - CEO of HomeServices of Kentucky

To: Commissioners  
From: Kristen L. Reese  
Date: October 13, 2016  
Subject: **Pre-License Approvals 2016 - 2018**

**Background:**

The attached list of pre-license education providers submitted renewal applications for review and approval by the Commission. Commission staff members have reviewed the information submitted, which includes provider, course and instructor applications.

Todd Thornton of Great Way to Learn is no longer offering the broker courses and shut down registrations several months ago. Mr. Thornton has requested a 1-2 month extension on the expiration date for these courses for existing students to complete the courses. The courses that Mr. Thornton is requesting an extension on the expiration date are: Broker Management and Broker Law.

Currently, it is not required for the 96 hour pre-license courses to include information on post-license education in the curriculum. The Education Department would like the Commission's input and guidance on if it would like to require including this information in pre-license courses in the future. If the Commission were to require it, this would necessitate an update to 201 KAR 11:170 to update the Pre-License Prescribed Topics which is incorporated into that regulation by reference.

**Action Required:**

Please approve the applications associated with the attached list of providers.

Commission approval is sought to provide Great Way to Learn with an extension on the expiration date for: Broker Management and Broker Law.

Commission guidance is sought on if it would like to require the 96 pre-license course to include information on post-license education.



**1. Pre-License Renewals 2016 - 2018**

**A. KY Real Estate College**

Principles & Practices (96 online) 96 hours  
Instructors: Art Reed, Ken Perry, Lee Donahue

Broker Management (online) 48 hours  
Instructor: Ken Perry

**B. Career Development Center**

Principles & Practices (60 online & 36 webcam) 96 hours  
Instructor: Joyce Sterling

Principles & Practices (Webcam) 96 hours  
Instructor: Joyce Sterling

**C. HomeServices Real Estate Academy**

Principles & Practices (60 online & 36 classroom) 96 hours  
Instructors: Donna Miller, Doug Myers, Tom Huber,  
Austin Buchanan

Principles & Practices 96 hours  
Instructors: Donna Miller, Doug Myers, Austin Buchanan

Law 48 hours  
Instructors: Donna Miller, Doug Myers

Broker Management 48 hours  
Instructors: Donna Miller, Doug Myers

**D. Wilson Educational Group**

National USPAP 15 hours  
Instructors: C.W. Wilson, Benjamin Wilson

Basic Appraisal Principles 30 hours  
Instructors: C.W. Wilson, Benjamin Wilson,  
Michael Gammon, Misty Gammon

Basic Appraisal Procedures 30 hours  
Instructors: C.W. Wilson, Benjamin Wilson,  
Michael Gammon, Misty Gammon

Residential Site Valuation & Cost Approach 15 hours  
Instructors: C.W. Wilson, Benjamin Wilson,  
Michael Gammon, Misty Gammon

	Residential Sales Comparison Approach Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
	Residential Report Writing Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
	Statistics Modeling & Finance Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
	Site & Improvement Inspection/Documentation Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
	Intro to Income Property Appraising Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
	Capitalization Applications Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
	Residential Market Analysis & Highest & Best Use Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
	Expert Witness Testimony Instructors: C.W. Wilson, Benjamin Wilson, Michael Gammon, Misty Gammon	15 hours
E.	<u>Cooke Real Estate School</u>	
	Principles & Practices (online) Instructor: Frank Cooke	96 hours
F.	<u>William R. Sellinger School of Professional Licensing</u>	
	Principles & Practices Instructor: William Sellinger, Steve Bowles, Peggy Poynter	96 hours
G.	<u>Century Real Estate School</u>	
	Principles & Practices (60 online & 36 classroom) Instructors: Lucy Brooks, Steve Medved	96 hours
	Principles & Practices Instructors: Lucy Brooks, Steve Medved	96 hours

	Broker Management Instructors: Lucy Brooks, Steve Medved	48 hours
H.	<u>Thornton's Real Estate Academy</u>	
	Principles & Practices (online) Instructors: Todd Thornton, Christine Morgan	96 hours
I.	<u>Ward Elliott Institute</u>	
	Principles & Practices Instructor: Ward Elliott	96 hours
J.	<u>GC Real Estate School</u>	
	Principles & Practices Instructors: Vickie Grimes, Teresa Good	96 hours
K.	<u>A Pass Weikel Institute</u>	
	Principles & Practices Instructors: John Weikel II, John Weikel, Sr., Don Gaines, Leesa Hill, Sandra Jackson, Pam Mooney, Mark Suna, Joanna Tucker, Robert Vaughn, Cliff Eddleman, Bill Miracle, Tom Wright	96 hours
	Law Instructors: John Weikel II, John Weikel, Sr., Don Gaines, Leesa Hill, Sandra Jackson, Pam Mooney, Mark Suna, Robert Vaughn, Cliff Eddleman, Bill Miracle	48 hours
	Marketing Instructors: John Weikel II, Don Gaines, Leesa Hill, Pam Mooney, Mark Suna, Robert Vaughn, Cliff Eddleman, Bill Miracle, Sandra Jackson	48 hours
	Finance Instructors: John Weikel II, Don Gaines, Pam Mooney, Mark Suna, Cliff Eddleman, Bill Miracle	48 hours
	Broker Management Instructors: John Weikel II, Don Gaines, Leesa Hill, Cliff Eddleman	48 hours
	Investment Instructors: John Weikel II, Don Gaines, Pam Mooney, Mark Suna, Cliff Eddleman, Bill Miracle	48 hours
	Property Management Instructors: John Weikel II, Don Gaines, Pam Mooney, Mark Suna, Cliff Eddleman,	48 hours

Commercial 48 hours  
Instructors: John Weikel II, Don Gaines, Mark Suna

Home Inspection 72 hours  
Instructors: John Weikel II, Don Gaines, Bernie Hartung

Auctioneering 80 hours  
Instructors: John Weikel II, Fred Barrett Jr.,  
Thomas Wright

L. American Career Training

Principles & Practices 96 hours  
Instructors: Deloise Adams, Charlie Collier, Kathy Henry

M. KY Real Estate Education Foundation

Principles & Practices (60 online & 36 classroom) (96 online) 96 hours  
Instructors: Sandy Huwel, Gale D'Loss

To: Commissioners  
From: Kristen L. Reese  
Date: October 13, 2016  
Subject: **Licensing Issues**

**Background:**

**Post License Education Requirement**

Krista Wilmhoff was licensed previously and her license was cancelled for more than 16 years. According to the retention schedule set with the Kentucky Department of Library and Archives, all records are destroyed 16 years after the date of cancellation. KDLA state records center destroys our paper file records every year according to this schedule. State records center houses our paper records through 2011. All other licensee paper records have been scanned in by the digital record department of KDLA beginning with licensees cancelled in 2012 and all present and current licensee files. The files will be destroyed according to the retention schedule mentioned above.

In addition to licensee paper file records and those digitally scanned in, the Commission keeps records on the AS400 which are designated as electronic records and should follow the same retention schedule. Because of recent changes and the work being done on the new database through GL solutions the purging of these records was held until the first conversion was sent to GL and then the records were purged. This is intended to give us a better data set for review.

Between the time that Ms. Wilmhoff first inquired about reinstating her license and the time that she actually applied for the license, the system was purged. Ms. Wilmhoff supplied the Commission with a copy of her certificate of completion for her original 96 classroom hours in pre-license education, obtained a FBI report and retook the exam. When the application was processed her license was issued as a new initial sales associate license.

According to the post license education requirement, individuals issued an initial sales associate license beginning January 1, 2016, are subject to the post-license education requirement upon activation.

Ms. Wilmhoff is requesting that she not be required to complete post-license education.  
(Attachment)

### Examination Incident

PSI reported an incident of cheating at one of the testing centers. Cathy Laitinen, PSI contact, emailed the following with regard to the individual candidate observed cheating on the licensing exam.

“The candidate was caught with a cell phone in the testing room and admitted to using it. His examination was ended and he is blocked from further testing until we get clearance from you.”

Currently, the individual is blocked from taking the exam by PSI. We have not received any communication from this individual as of yet.

### Action Required:

The Commission's determination is sought to decide how to proceed with Ms. Wilmhoff's request and for any future issues that may arise for individual's whose records are or will be purged with regard to the post-license education requirements.

The Commission's determination is sought on how to proceed with this incident. Should the individual continue to be blocked from the examination? Should the block be removed and if so how do you want to proceed should he pass the exam and apply for the license?

August 26, 2016

Kentucky Real Estate Commission  
10200 Linn Station Rd # 201  
Louisville, KY 40223

Dear Ms. Reese,

I am writing because I believe a mistake was made when my license was issued. My license was issued as a new license on May 16, 2016 but I actually applied to have my license reinstated. As you know, this is significant because as a newly licensed agent, I will be required to complete 48 hours of continuing education which became effective for newly licensed agents after January 1, 2016 according to KRS 324.085/ 201 KAR 11:235.

Will you please put me on the October 2016 Commission Meeting Agenda to help me resolve this? When I came into the Kentucky Real Estate Commission office on 5/4/16, my original license was still showing on your system and I was told by Mary O'Wheatley that I only needed to prove my continuing education. Attached for your review is a copy of the print out from the AS400 screen that Mary printed showing that my license was still active at that time. I provided proof of my continuing education within the next 2 weeks. During that time period, my records were purged off of the system and therefore I was issued a new license.

Attached is a copy of my original license #49387 which I submitted with my original application for your review. I followed the guidelines that I was given by your office. Would you would consider reinstating my original license which more accurately reflects my situation and makes me exempt from the 48 hours of continuing education? If you need additional information, I can be reached at (859) 663-7379.

Thanks so much,



Krista Wilmhoff KY License #77140  
Sibcy Cline Realtors  
(859) 663-7379

Cc: Shelly Saffran  
Mary O'Wheatley

To: Commissioners

From: Kristen L. Reese

Date: October 13, 2016

Subject: **Statistics Report: Testing, Applicant, and Licensee Information**

**Background:**

This attached information includes testing statistics for the following:

- Applicant Information (monthly for FY 11-12, FY 12-13, FY 13-14, FY 14-15, FY 15-16, and FY 16-17)
- Fiscal Year 16-17 Testing Data (First time and all candidates.)
- Licensee Data for FY 16-17

**Action Required:**

The attached information is provided for your review. No action is required.



## Applicant Information

### Sales

Sales Associate Initial Applicants	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
July	57	61	90	81	98	108
August	55	56	70	93	80	100
September	41	36	60	66	87	120
October	38	46	97	71	69	
November	31	46	60	53	101	
December	23	26	63	57	236	
January	58	47	70	78	38	
February	36	47	49	57	54	
March	55	54	99	87	98	
April	57	87	141	114	143	
May	53	66	96	94	104	
June	39	60	77	94	117	
Total for Fiscal Year	543	632	972	945	1225	328

### Broker

Broker Applicants*	FY 14-15		FY 15-16		FY 16-17	
	Initial	Upgraded	Initial	Upgraded	Initial	Upgraded
July	3	4	1	7	1	6
August	6	5	4	4	5	5
September	5	5	2	6	5	0
October	3	4	6	7		
November	3	4	4	11		
December	3	3	4	7		
January	0	9	1	5		
February	0	2	1	10		
March	1	4	3	12		
April	5	8	6	15		
May	1	5	8	7		
June	0	6	2	9		
Total for Fiscal Year	30	59	42	100	11	11

#### **\*Broker Applicants**

Initial refers to a broker not previously licensed in Kentucky. For the most part these will be license recognition brokers.

Upgraded refers to existing sales associates who have upgraded their license to broker status.

### Fiscal Year 2016 – 2017 Testing Data

[illegible]

[illegible]

# Licensee Statistical Report

Fiscal Year 2016 -2017

July	August	September	October	November	December	January	February	March	April	May	June
2016	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017	2017

Active Brokers	4,064	4,075	4,074								
Active Salespersons	9,316	9,399	9,481								
Escrow Brokers	1,062	1,080	1,081								
Escrow Salespersons	7,473	7,479	7,509								
Total	21,935	22,033	22,149								

Comm Insurance	11,452	11,568	11,645								
Other E & O Insurance	1,898	1,906	1,914								
Total	13,350	13,474	13,559								

To: Commissioners  
From: Kristen L. Reese  
Date: October 13, 2016  
Subject: **KREC Suite Update**

**Background:**

At the July Commission meeting, we updated you with the news that we had completed the Design phase of the licensing database management project. As you may recall we were in the beginning of making plans for the Testing and Training phase (UAT). At that time we were planning to begin UAT in September, hoping it would be a 3 week period that would lead into Go Live. GL Solutions came on site the last week of August to begin the UAT phase. However, the UAT phase is now going to take much longer.

According to the terms of the contract, prior to the UAT beginning, GL Solutions was required to have completed both the data conversion and to have completely tested the system. It was clear when UAT began that this had not occurred. KREC staff has not been able to fully test the new system due to the data not being completely and accurately converted into the test environment. Furthermore, the testing that we have been doing over the last month has shown that it is going to take more work for GL Solutions to get the system functioning in a format that is acceptable prior to Go Live.

KREC staff gave GL Solutions a list of areas of concern and had a phone conference with the CEO, Bill Moseley, project manager Marcy Merlot and our agency partner Gabe van Eikeren regarding our concerns. Attached to this memo is the list we shared with GL Solutions. GL Solutions is working to meet the issues that we raised and KREC staff is continuing to work with them to work through each issue while continuing to test the system, report problems and working to resolve the issues. At this point, we do not have a date for when we will be able to Go Live. We will continue to keep you updated as we get further along in the testing and work with GL Solutions to meet all of the KREC's concerns.

**KREC Suite Installation Project Phases:**

- ☒ Project Initiation – Completed
- ☒ Design – Completed
- ☒ Development
- ☐ Testing & Training
- ☐ Go Live

**Action Required:**

This is for informational purposes only, no action is required.

Data Conversion – ensure the data is mapped correctly prior to UAT

Pg 143 of 177 Conversion Development 2.4.4 ... GL Suite and ensuring that your data is being populated in the correct location

System testing – did GL solutions conduct system testing on each business process from end to end to determine that the developed functionality meets specified business objectives(pg 67 of 177)

System timeout – during data conversion unable to access UAT site – Monday – due to data conversion and portal issue, Tuesday – due to weather conditions

UAT - No valid instructions to test email notification functionality

50.7e The system must provide the ability to simplify the data entry process based on the user's tasks and needs(pg 35 of 177)

Pg 49 of 177 GL does not provide “canned” modules which force agencies to change their business processes to our prescribed ways

Pg 64 of 177 GL Solutions will test the conversion and will then ask you to test to confirm your data exists where you expect it. Once conversion defects are resolved...

Training Plan Pg 69 of 177 – We will collaborate with your agency in order to create a UAT plan, which will detail all of the training expectations well in advance of any onsite activities.

Pg 143 of 177 2.4.6 GL Solutions will test the conversion to ensure that it is working according to business requirements before you see it for the first time.

**“HOTLINE” LEGAL QUESTIONS REPORT  
(OCTOBER 13, 2016 Commission Meeting)**

MONTH	QUESTIONS RECEIVED & ANSWERED Phone (“P”); E-Mail (“E”)		MONTHLY COMBINED TOTALS		
	2016 (P)	2016 (E)	2016	2015	2014
JANUARY (no mtg.)	287	107	394	344	443
FEBRUARY	346	126	472	352	400
MARCH*	412	216	628	484	528
APRIL	314	115	429	329	569
MAY	272	193	465	336	479
JUNE (no mtg.)	199	130	329	424	424
JULY	124	326	450	484	600
AUGUST	151	294	445	371	499
SEPTEMBER (no mtg.)	126	249	375	424	561
OCTOBER				292	506
NOVEMBER				401	323
DECEMBER				393	378
<b>YTD TOTAL =</b>	<b>2231</b>	<b>1756</b>	<b>3987</b>	<b>4634</b>	<b>5710</b>

Last updated: 10/3/16

\*RENEWAL

### Quarterly Complaint Statistics - Updated 10/3/2016

	No. of Cases on Agenda	No. of Complaints Filed	Hearings Ordered	Settlements Accepted	Requests for Withdrawal	Hearings Held	Applicants Appeared for Hearing
2013 - Jan. Feb. March	59	20	11	11	0	6	0
2013 - April May June	43	10	2	6	1	0	5
2013 - July Aug. Sept.	36	15	3	11	1	2	0
2013 - Oct. Nov. Dec.	35	15	4	6	0	0	0
<b>Yearly Totals</b>	<b>173</b>	<b>60</b>	<b>20</b>	<b>34</b>	<b>1</b>	<b>8</b>	<b>5</b>
2014 - Jan. Feb. March	63	24	1	17	0	0	0
2014 - April May June	32	9	4	0	0	1	0
2014 - July Aug. Sept.	42	33	8	3	0	0	0
2014 - Oct. Nov. Dec.	49	13	16	5	1	1	0
<b>Yearly Totals</b>	<b>186</b>	<b>79</b>	<b>29</b>	<b>25</b>	<b>1</b>	<b>2</b>	<b>0</b>
2015 - Jan. Feb. March	39	7	6	4	1	2	2
2015 - April May June (*No meeting in Apr/Jun*)	26	18	6	3	2	1	1
2015 - July Aug. Sept. (*No meeting in Sept.*)	40	29	6	2	2	0	0
2015 - Oct. Nov. Dec.	38	8	3	10	1	0	0
<b>Yearly Totals</b>	<b>143</b>	<b>68</b>	<b>21</b>	<b>19</b>	<b>6</b>	<b>4</b>	<b>3</b>
2016 - Jan. Feb. March (*No Meeting in Jan*)	30	12	7	3	0	0	0
2016 - April May June (*No meeting in Jun*)	25	35	5	7	0	1	1
2016 - July Aug. Sept. (*No meeting in Sept.*)	48	16	15	7	1	1	1
2015 - Oct. Nov. Dec.							
<b>Yearly Totals</b>							



**KENTUCKY REAL ESTATE COMMISSION  
CASE STATISTICS  
(For OCTOBER 13, 2016 Commission Meeting)**

MONTH: (As of 10-3-16)	TOTAL ACTIVE CASES *Including: Abeyance: 6 Appeal: 2 Inju.: 0	REQUESTS FOR W/DRAWAL	SWORN COMPLAINTS: <i>RECEIVED, PROCESSED &amp; REVIEWED</i>	SWORN ANSWERS		INVESTIGATIONS	
				<i>PENDING (Awaiting Answers)</i>	<i>RECEIVED, PROCESSED &amp; REVIEWED</i>	<i>ACTIVE</i>	<i>REPORTS RECEIVED, PROCESSED &amp; REVIEWED</i>
JAN. (No mtg.)	--	--	--	--	--	--	--
FEBRUARY	66	0	6	3	7	10	5
MARCH	63	0	7	7	5	10	6
APRIL	66	0	9	9	7	16	3
MAY	71	0	13	13	8	19	9
JUNE (No mtg.)	--	0	--	--	--	--	--
JULY	84	0	15	15	7	14	3
AUGUST	93	1	8	8	9	20	5
SEPT. (No mtg.)	89	0	9	9	5	21	6
OCTOBER	90	0	8	8	11	17	9
NOVEMBER							
DECEMBER							

### ADMINISTRATIVE HEARING STATISTICS

MONTH: (As of 10-3-16)	TOTAL NO. OF COMMISSION- ORDERED HEARINGS	COMMISSION-ORDERED HEARINGS		NO. OF HEARINGS HELD
		NO. OF CASES WITH SIGNED SETTLEMENT AGREEMENTS ON AGENDA	NO. OF CASES WITH ONGOING SETTLEMENT DISCUSSIONS	
JANUARY (No mtg.)	--	--	--	0
FEBRUARY	28	1	5	0
MARCH	17	5	12	0
APRIL	18	5	11	0
MAY	19	4	8	1
JUNE (No meeting)	--	--	4	0
JULY	21	6	4	0
AUGUST	26	1	3	1
SEPT. (No meeting)	--	--	--	1
OCTOBER	30	6	2	1
NOVEMBER				
DECEMBER				

### UNLICENSED BROKERAGE STATISTICS

MONTH: (As of 10-3-16)	TOTAL NO. OF CASES	NO. OF CASES WITH SIGNED SETTLEMENT AGREEMENTS ON AGENDA	NO. OF CASES WITH ONGOING SETTLEMENT DISCUSSIONS	NO. OF INJUNCTIONS FILED IN CIRCUIT COURT
JANUARY (No mtg.)	--	--	--	0
FEBRUARY	0	0	0	0
MARCH	0	0	0	0
APRIL	0	0	0	0
MAY	0	0	0	0
JUNE (No mtg.)	--	--	0	0
JULY	0	0	0	0
AUGUST	1	0	0	0
SEPTEMBER (No mtg.)	0	0	0	0
OCTOBER	0	0	0	0
NOVEMBER				
DECEMBER				

**KREC APPEALS CASES**  
(Status Report)

FILED BY	WHEN & WHERE FILED			CURRENT STATUS
	CIRCUIT COURT	COURT OF APPEALS	SUPREME COURT	
1. Deborah L. Richardson v. Kentucky Real Estate Commission (08-0168)	11/4/15 (Jefferson)			<ul style="list-style-type: none"> <li>• Appeal received 11/7/15</li> <li>• KREC's answer filed 11/25/15</li> </ul>
2. Gray (Deer Run Estates) v Inman, et al (15-0008)				<ul style="list-style-type: none"> <li>• Appeal notice received 12/7/15</li> <li>• Civil Appeal Prehearing Statement received 12/28/15.</li> <li>• Appellant filed brief 4/4/16</li> <li>• Appellee filed brief (sent 5/26/16)</li> </ul>

Last updated: 10/3/2016 10:56 AM



Matthew G. Bevin  
Governor

# KENTUCKY REAL ESTATE COMMISSION

10200 Linn Station Road, Suite 201

Louisville, Kentucky 40223

(502) 429-7250

Fax (502) 429-7246

Toll Free (888) 373-3300

[www.krec.ky.gov](http://www.krec.ky.gov)

## COMMISSIONERS

Kim Sickles, Louisville

Dana W. Anderson, Louisville

Bob Roberts, Richmond

Thomas V. Biederman, Versailles

Tom Waldrop, Mayfield

## STAFF

Shelly Saffran, Administration Director

Kristen L. Reese, Education Director

Rhonda K. Richardson, General Counsel

TO: COMMISSIONERS

FROM: RHONDA K. RICHARDSON  
General Counsel

DATE: October 13, 2016

SUBJECT: REQUEST FOR STANDING ORDERS

### BACKGROUND:

#### PER SE CE DELINQUENCY PLAN VIOLATIONS

In an effort to improve the efficiency with which Per se CE Delinquency Plan violations are handled, the Legal Department is requesting a standing Commission order that authorizes and directs the immediate filing of a Notice of Hearing and Charges, upon administrative notice by the Licensing and Education Department that a licensee has failed to comply with the terms of his or her delinquency plan. Upon resolution of the charge, by settlement or hearing, the matter would presented to, and decided, by Commission.

#### UNLICENSED REAL ESTATE BROKERAGE AS PART OF BUSINESS BROKERAGE

Kentucky courts have long held that the sale or lease of real estate as part of a business transaction is unlicensed real estate brokerage when the "business broker" does not have a real estate license [See, *Kirkpatrick and Cuni v. Lawrence, Kingsley, Lawrence, and C & J Containers, Inc.*, 908 S.W. 2d 125 (1995)].

KRS 324.020(6) authorizes the Commission to seek and obtain injunctive relief against any unlicensed individual engaging in real estate brokerage. When KREC receives a report of unlicensed brokerage, an informal investigation is undertaken and the report is shared with the Commission for a determination of whether there is sufficient evidence of unlicensed brokerage for which the filing of an injunction is warranted. To obtain injunctive relief the illegal conduct must be ongoing at the time of filing the injunction. The courts will not, and cannot, enjoin activities that have ceased. *McCloud and Bank of Cadiz v. City of Cadiz*, 548 S.W. 2d 158 (KY Court of Appeals, (1977)). When reports of unlicensed brokerage are received the Legal Department needs to be able to expeditiously initiate the investigative process and explore possible settlement while there is evidence of current and continuing unlicensed brokerage activity.

The Legal Department is seeking authority from the Commissioners to send the attached Notice and settlement agreements, where appropriate, in advance of the Commission's entering an Order to pursue injunctive relief.

**ACTION REQUESTED:** A motion to issue the attached Standing Orders.

Matthew G. Bevin  
Governor



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**STAFF**  
Rhonda Richardson, General Counsel  
Shelly Saffran, Administration Director  
Kristen Reese, Education & Licensing Director

To: Commissioners  
From: Shelly Saffran  
Date: October 13, 2106  
Subject: **Appearance of Buryl Thompson, Department of Insurance at 9:30 a.m.**

**Background**

The Kentucky Real Estate Commission has two insurance policies, a General Liability policy and a Public Officials Liability Insurance policy. I have asked Buryl Thompson with the Department of Insurance to appear at the meeting to go over the details of the Public Officials Liability Insurance. We currently have a policy with National Union Fire Insurance and the agent is Gross Insurance. The annual premium is \$8,843.37. I have attached a copy of the current policy.

If you have any advance questions that I can forward to Buryl Thompson prior to the meeting, please let me know.

**Action Required**

No motion is needed as this is for informational purposes only.



## CLAIM REPORTING FORM

Issuing Company: National Union Fire Insurance Company of Pittsburgh, Pa. ®

Reported under Policy/Bond Number: 022175076

Date: \_\_\_\_\_

Type of Coverage: D&O \_\_\_\_\_ E&O \_\_\_\_\_ EPL \_\_\_\_\_

Insured's Name, as given on Policy Declarations (Face Page):

Kentucky Real Estate Commission

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Ext \_\_\_\_\_

eMail: \_\_\_\_\_ @ \_\_\_\_\_

Case or Claimant Name: \_\_\_\_\_

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

Insurance Broker/Agent: Cincinnati Intermediaries, LLC

Address: 3975 Erie Avenue

Address: Cincinnati, OH 45208

Contact: Jenny Finet Phone: 513-271-3400

eMail: jfinet@cintermed.com

Send Notice of Claims to:

AIG

Financial Lines Claims

P.O. Box 25947

Shawnee Mission, KS 66225

Phone:

(888) 602-5246

Fax:

(866) 227-1750

Email:

c-Claim@AIG.com





National Union Fire Insurance Company of Pittsburgh, Pa. ®

A capital stock company

**PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY POLICY**

*MuniPro®*

**NOTICE: EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS GENERALLY LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE THEREUNDER WITH YOUR INSURANCE AGENT OR BROKER.**

**NOTICE: THE DEDUCTIBLE FOR THIS POLICY SHALL APPLY TO BOTH DAMAGES AND DEFENSE COSTS.**

RENEWAL OF: 01-195-68-09

POLICY NUMBER: 022175076

**DECLARATIONS**

- |         |                    |   |   |
|---------|--------------------|---|---|
| ITEM 1. | PUBLIC ENTITY:     | Kentucky Real Estate Commission   |   |
|         | ADDRESS:           | 10200 Linn Station Road, Suite 201<br>Louisville, KY 40223  |   |
| ITEM 2. | POLICY PERIOD:     | FROM: 5/22/2016 TO 5/22/2017<br>(At 12:01 AM Standard Time at the Address of the Public Entity stated in ITEM 1.) |   |
| ITEM 3. | LIMIT OF LIABILITY | <u>\$1,000,000</u>  | Aggregate.  |
| ITEM 4. | (a) DEDUCTIBLE:    | <u>\$10,000</u>   | Each Wrongful Act other than an<br>Employment Practices Violation |
|         | (b) DEDUCTIBLE:    | <u>\$25,000</u>   | Each Employment Practices<br>Violation                            |

ITEM 5. PREMIUM: \$8,687.00  
TAXES AND  
SURCHARGES: \$155.61 Premium Surcharge

Premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended (TRIA): \$42.00 included in policy premium. Any coverage provided for losses caused by an act of terrorism as defined by TRIA (TRIA Losses) may be partially reimbursed by the United States under a formula established by TRIA as follows: 84% of TRIA Losses in excess of the insurer deductible mandated by TRIA, the deductible to be based on a percentage of the insurer's direct earned premiums for the year preceding the act of terrorism.

A copy of the TRIA disclosure is attached hereto.

ITEM 6. NAME AND ADDRESS OF THE COMPANY (hereinafter "COMPANY"):  
(This policy is issued only by the insurance company indicated below.)

National Union Fire Insurance Company of Pittsburgh, Pa. ®

175 Water Street 18th Floor

New York, NY 10038

ITEM 7. ADDITIONAL COVERED OPERATIONS

☐ Port Authority

☐ Housing Authority

☐ Transit Authority

☐ Utility Authority

☐ Water/Sewer Authority

PRODUCER: Cincinnati Intermediaries, LLC  
ADDRESS: 3975 Erie Avenue  
Cincinnati, OH 45208

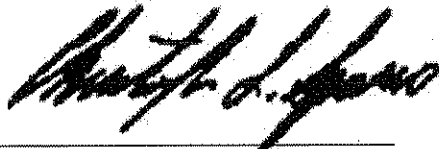
IN WITNESS WHEREOF, the Company has caused this policy to be signed on the Declarations Page by its president, a Secretary and a duly authorized representative of the Company



PRESIDENT



SECRETARY



AUTHORIZED REPRESENTATIVE

COUNTERSIGNATURE

DATE

COUNTERSIGNED AT

By acceptance of this policy the Insured agrees that the statements in the Declarations and the Application and any attachments hereto are the Insured's agreements and representations and that this policy embodies all agreements existing between the Insured and the Company or any of its representatives relating to this insurance.

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE  
(RIGHT TO PURCHASE COVERAGE)**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

**COPY OF DISCLOSURE SENT WITH ORIGINAL QUOTE**

Insured Name: Kentucky Real Estate Commission

Policy Number: 022175076

Policy Period Effective Date From: 5/22/2016 To: 5/22/2017



National Union Fire Insurance Company of Pittsburgh, Pa. ®

A capital stock company

**PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY POLICY**

*MuniPro® 0)*

In consideration of the premium charged, and in reliance upon the statements in the Application attached hereto and made a part hereof, and subject to the Limit of Liability stated in Item 3 of the Declarations and the terms and conditions contained herein, the Company and the Insured agree as follows:

**1. INSURING AGREEMENTS**

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as Damages resulting from any Claim first made against the Insured during the Policy Period or the Discovery Period (if applicable) and reported to the Company pursuant to the terms of this policy for any Wrongful Act of the Insured in the performance of duties for the Public Entity.

**2. DEFENSE PROVISIONS**

a) The Company shall, in addition to the Limit of Liability, appoint an attorney and defend any Claim against the Insured alleging a Wrongful Act, even if such Claim is groundless, false or fraudulent; and pay on behalf of the Insured Defense Costs.

b) The Insured shall not admit liability or settle any Claim or incur any cost or expense without the written consent of the Company. The Company shall have the right to make such investigation and negotiations and, with the written consent of the Public Entity, such settlement of any Claim as the Company deems expedient. If the Public Entity refuses to consent to any settlement recommended by the Company, the Insured shall thereafter negotiate or defend such Claim independently of the Company and the liability of the Company shall not exceed the amount for which the Claim could have been settled plus Defense Costs incurred with the Company's consent up to the date of such refusal.

c) The Company shall not be obligated to pay any Damages or Defense Costs or to undertake or continue defense of any Claim after the Limit of Liability has been exhausted by payment of Damages or after deposit of the applicable limit of the Company's liability in a court of competent jurisdiction, and in such case the Company shall have the right to withdraw from the further defense thereof by tendering control of said defense to the Insured.

### 3. DEFINITIONS

- (a) "Arising Out Of" means originating from, having its origin in, growing out of, flowing from, incident to or having connection with, whether directly or indirectly;
- (b) "Claim" means a judicial proceeding alleging a Wrongful Act that is filed against an Insured in a court of law or equity and which seeks Damages or other relief. Claim shall also mean an administrative proceeding alleging a Wrongful Act, provided an enforceable award of Damages can be made against an Insured at the administrative proceeding.
- (c) "Damages" means a monetary judgment or settlement agreed to with the consent of the Company.
- (d) "Defense Costs" means reasonable and necessary fees, costs, and expenses incurred by the Company, or incurred by the Insured with the written consent of the Company, (including premiums for any appeal bond, attachment bond, or similar bond but without any obligation to apply for or furnish any such bond) resulting from the investigation, adjustment, defense, and appeal of a Claim against any Insured; provided, however, that Defense Costs do not include salaries of employees or officers of the Company.
- (e) "Employment Practice Violation(s)" means any actual or alleged:
  - (1) wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract;
  - (2) harassment (including sexual harassment whether "quid pro quo", hostile work environment or otherwise);
  - (3) discrimination, (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
  - (4) Retaliation (including lockouts);
  - (5) employment-related misrepresentation(s) to an employee or applicant for employment with the Public Entity;
  - (6) wrongful failure to employ or promote;
  - (7) wrongful deprivation of career opportunity, wrongful demotion or negligent employee evaluation, including the giving of negative or defamatory statements in connection with an employee reference;
  - (8) wrongful discipline;

- (9) failure to grant tenure;
- (10) failure to provide or enforce adequate or consistent policies and procedure relating to any Employment Practices Violation;
- (11) violation of an individual's civil rights relating to any of the above

but only if the Employment Practices Violation relates to an employee or applicant for employment with the Public Entity whether direct, indirect, intentional or unintentional.

(f) "Insured" means the Public Entity and:

- (1) all persons who were, now are or shall be lawfully elected or appointed officials or employees while acting for or on behalf of the Public Entity;
- (2) commissions, boards, or other units, and members and employees thereof, operated by and under the jurisdiction of such Public Entity and within an apportionment of the total operating budget indicated in the application for this policy;
- (3) volunteers acting for or on behalf of, and at the request and under the direction of, the Public Entity;
- (4) officials and employees of the Public Entity appointed at the request of the Public Entity to serve with an outside tax exempt entity.

(g) "Policy Period" means the period from the inception date of this policy shown in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of this policy.

(h) "Public Entity" means the municipality, governmental body, department or unit which is named in Item 1 of the Declarations.

(i) "Retaliation" means a wrongful act of an Insured relating to or alleged to be in response to any of the following activities: (1) the disclosure or threat of disclosure by an Employee of the Public Entity to a superior or to any governmental agency of any act by an Insured which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; (2) the actual or attempted exercise by an Employee of the Public Entity of any right that such employee has under law, including rights under workers' compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to Employee rights; (3) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; (4) Strikes by Employees of the Public Entity or (5) political affiliation:

- (j) "Wrongful Act" means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or Employment Practices Violation by an Insured solely in the performance of duties for the Public Entity.

#### 4. EXTENSIONS

Subject otherwise to the terms hereof, the policy shall cover Claims made against the estates, heirs, or legal representatives of deceased Insureds, and the legal representatives of Insureds in the event of an Insured's incompetency, insolvency or bankruptcy, who were Insureds at the time the Wrongful Acts upon which such Claims are based were committed.

Subject otherwise to the terms hereof, this policy shall cover Claims made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an Insured for all Claims arising solely out of his or her status as the spouse of an Insured, including a Claim that seeks damages recoverable from marital community property, property jointly held by the Insured and the spouse, or property transferred from the Insured to the spouse; provided, however, that this extension shall not afford coverage for any Claim for any Wrongful Act of the spouse, but shall apply only to Claims Arising Out Of the Wrongful Acts of an Insured, subject to the policy's terms, conditions and exclusions.

#### 5. EXCLUSIONS

This policy does not apply to any Damages or Claim:

- (a) alleging fraud, dishonesty or criminal acts or omissions; however, the Insured shall be reimbursed for the reasonable amount which would have been collectible under this policy if such allegations are not subsequently proven;
- (b) seeking relief or redress in any form other than Damages, or attorney's fees, costs or expenses which the Insured shall become obligated to pay as a result of an adverse judgment or settlement for a Claim seeking such relief; however, the Company shall defend such a Claim in accordance with Clause 2, subject to a Policy Period aggregate limit of \$100,000. This limit shall be part of the Limit of Liability stated in Item 3 of the Declarations
- (c) Arising Out Of (1) false arrest, detention or imprisonment, (2) libel, slander or defamation of character, (3) assault or battery, (4) malicious prosecution or abuse of process, (5) wrongful entry or eviction, or invasion of any right of privacy, (6) any allegation relating to the foregoing exclusions 5(c)(1) through 5(c)(5) that an Insured negligently employed, investigated, supervised or retained any person, or based on an alleged practice, custom or policy and including, without limitation, any allegation that the violation of a civil right caused or resulted from such Damages or Claim;
- (d) Arising Out Of (1) bodily injury to, or sickness, disease, emotional distress or death of any person, (2) damage to or destruction of any property, including the loss of use thereof, (3) any allegation relating to the foregoing exclusions



5(d)(1) through 5(d)(2) that an Insured negligently employed, investigated, supervised or retained a person, or based on an alleged practice, custom or policy and including, without limitation, any allegation that the violation of a civil right caused or resulted from such Damages or Claim;

- (e) Arising Out Of inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use;
  - (f) Arising Out Of strikes, riots or civil commotions;
  - (g) Arising Out Of the failure to effect or maintain any insurance or bond, which shall include, but not be limited to, insurance provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption; however, the Company will defend such a Claim but without obligation to pay Damages;
  - (h) Arising Out Of the gaining in fact of any profit or advantage to which the Insured is not legally entitled; the return of taxes, assessments, penalties, fines or fees; any award of salary, wages or earnings;
  - (i) alleging, Arising Out Of, based upon, attributable to, or in any way involving, directly or indirectly:
    - (1) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants, or
    - (2) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants.
- "Pollutants" include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos, lead and Waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed;
- (j) Arising Out Of the planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage or disposal site or any other nuclear facility, or the transportation of nuclear material;
  - (k) Arising Out Of a breach of fiduciary duty, responsibility or obligation in connection with any employee benefit or pension plan, or to any amount due under any fringe benefit or retirement program; however, the Company will defend such a Claim but will have no obligation to furnish any benefits due or pay Damages;
  - (l) brought by or on behalf of one Insured against another Insured, however, as respects any Claim alleging an Employment Practices Violation, this exclusion shall only apply to cross-claims or counter-claims brought by one Insured against another Insured;
  - (m) Arising Out Of breach of contract, except this exclusion shall not apply to any Claim alleging an Employment Practices Violations;

- (n) Arising Out Of the operation of or activities of any schools, airports, transit authorities, hospitals, clinics, nursing homes or other health care operations, utilities, housing authorities, jails or detention facilities, law enforcement agencies or fire fighting authorities unless specifically included in Item 7 of the Declarations or by endorsement attached
- (o) for fines, penalties, or punitive, exemplary or the multiplied portion of multiplied Damages; however, only where permitted by law, this policy shall cover, subject to all the terms, conditions and exclusions contained herein, up to \$50,000 punitive, exemplary or the multiplied portion of multiplied Damages, as part of and not in addition to the Limit of Liability of the Company otherwise afforded by this policy;
- (p) arising from all pending or prior litigation or hearing as well as future Claims Arising Out Of said pending or prior litigation or hearing. If this policy is a renewal of a policy issued by the Company, this exclusion shall only apply with respect to a pending or prior litigation or hearing prior to the effective date of the first policy issued and continuously renewed by the Company;
- (q) Arising Out Of, based upon or attributable to the facts alleged, or to the same or related Wrongful Acts alleged or contained, in any Claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
- (r) Arising Out Of any Wrongful Act prior to the inception date of the first policy issued by the Company and continuously renewed and maintained, if on or before such date any Insured knew or could have reasonably foreseen that such Wrongful Act could lead to a Claim.

The following exclusions shall also apply to any Claim alleging an Employment Practices Violation(s)

This policy does not apply to any Damages or Claim:

- (s) Arising Out Of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; provided, however, this exclusion shall not apply to a Claim for Retaliation;
- (t) Arising Out Of any violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder and amendments thereto or any similar provisions of any federal,

state, local or foreign statutory law or common law; provided however, this exclusion shall not apply to a Claim for Retaliation;

- (u) Arising Out Of any costs or liability incurred by any Insured to modify any building, property or facility to make said building, property or facility more accessible or accommodating to any disabled person as mandated by the Americans With Disabilities Act of 1992, and as amended, or any similar federal, state or local law, regulation or ordinance.

## **6. LIMIT OF LIABILITY**

- (a) The total liability of the Company for all Damages arising from all Claims made against the Insured during the Policy Period and during the Discovery Period, if applicable, shall not exceed the Limit of Liability stated in Item 3 of the Declarations. The inclusion herein of more than one Insured shall not increase the Limit of Liability of the Company. The Limit of Liability stated in Item 3 of the Declarations shall apply to all Claims Arising Out Of the same Wrongful Act or related Wrongful Acts.
- (b) If additional Claims are subsequently made which Arise Out Of the same Wrongful Act or series of continuous, repeated or interrelated Wrongful Acts as Claims already made and reported to the Company, then all such Claims, whenever made, shall be considered first made within the Policy Period or the Discovery Period in which the earliest Claim Arising Out Of such Wrongful Act or series of continuous, repeated or interrelated Wrongful Acts was first made and reported to the Company, and all such Claims shall be subject to one such Limit of Liability.
- (c) If two or more policies of Public Officials and Employment Practices Liability Insurance issued by the Company or any other member company of AIG Property Casualty Inc. ("AIG") apply to the same Claim for which the Insured is liable, then the Company shall not be liable under this policy for a greater proportion of Defense Costs and Damages than the liability of the Company under this policy bears to the total liability of the AIG member companies under all such applicable valid and collectible insurance issued by the AIG member companies; however, the maximum amount payable under all such policies shall not exceed the Limit of Liability of that policy referred to above that has the highest applicable Limit of Liability. In determining the applicable Limit of Liability of any policy for purposes of this paragraph, it shall not be a factor that Defense Costs may be payable as part of the Limit of Liability, in addition to the Limit of Liability or subject to a sublimit of liability. Nothing contained herein shall be construed to increase the Limit of Liability of this policy.

## **7. DEDUCTIBLE**

Subject to the Limit of Liability, exclusions and other terms of this policy, the Company shall only be liable for those Damages and Defense Costs which are in excess

of the Deductible stated in Items 4(a) or 4(b) of the Declarations. This Deductible shall apply to each Wrongful Act or Employment Practice Violation or series of continuous, repeated or interrelated Wrongful Acts or Employment Practice Violations and shall be borne by the Public Entity and remain uninsured. The Public Entity shall also be responsible for payment of the Deductible. The Company may direct the Public Entity to make partial or full payment of the Deductible to others.

#### **8. NOTICE / CLAIM REPORTING PROVISIONS**

Notice hereunder shall be given in writing to AIG Property Casualty, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225.

If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice. A Claim shall be considered to have been first made against an Insured when written notice of such Claim is received by any Insured, by the Public Entity on the behalf of any Insured or by the Company, whichever comes first.

- (a) The Public Entity or the Insureds shall, as a condition precedent to the obligations of the Company under this policy, give written notice to the Company of any Claim made against an Insured as soon as practicable and either:
  - (1) anytime during the Policy Period or during the Discovery Period (if applicable)
  - (2) within 30 days after the end of the Policy Period or the Discovery Period (if applicable), as long as such Claim is reported no later than 30 days after the date such Claim was first made against an Insured.
- (b) If written notice of a Claim has been given to the Company pursuant to Clause 8(a) above, then any Claim which is subsequently made against the Insureds and reported to the Company Arising Out Of the facts alleged in the Claim for which such notice has been given, or alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged in the claim of which such notice has been given, shall be considered made at the time such notice was given.
- (c) If during the Policy Period or during the Discovery Period (if applicable) the Public Entity or the Insureds shall become aware of any circumstances which may reasonably be expected to give rise to a Claim being made against the Insureds and shall give written notice to the Company of the circumstances and the reasons for anticipating such a Claim, with full particulars as to dates, persons and entities involved, then any Claim which is subsequently made against the Insureds and reported to the Company Arising Out Of such circumstances or alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

#### **9. DISCOVERY CLAUSE**

- (a) Automatic Discovery Period

If the Company or the Public Entity shall cancel or refuse to renew this policy and the Public Entity does not obtain replacement coverage as of the effective date of such cancellation or non-renewal, the Public Entity shall have the right to a period of sixty (60) days following the effective date of such cancellation or non-renewal in which to give written notice to the Company of any Claim made against the Insured during said 60 day period for any Wrongful Act before the end of the Policy Period. This Automatic Discovery Period shall immediately expire upon the purchase of replacement coverage by the Public Entity.

(b) Optional Discovery Period

If the Company or the Public Entity shall cancel or refuse to renew this policy, the Public Entity shall have the right, upon payment of an additional premium of 50% of the total policy premium, to a period of twelve (12) months following the effective date of such cancellation or non-renewal in which to give written notice to the Company of any Claim made against the Insured during said twelve (12) month period for any Wrongful Act before the end of the Policy Period. This right shall terminate, however, unless written notice of such election together with the additional premium due is received by the Company within thirty (30) days after the effective date of cancellation or non-renewal. This clause and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

**10. CANCELLATION CLAUSE**

This policy may be canceled by the Public Entity by surrender of this policy or by giving written notice to the Company stating when thereafter such cancellation shall be effective. This policy may also be canceled by the Company by delivering to the Public Entity or by mailing to the Public Entity by registered, certified, or other first class mail, at the address shown in Item 1 of the Declarations, written notice stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. However, if the Company cancels this policy because the Public Entity has failed to pay a premium when due, or has failed to reimburse the Company such amounts as the Company has paid as Damages or Defense Costs within the amount of the applicable Deductible, or excess of the Limit of Liability, this policy may be canceled by the Company by mailing to the Public Entity by registered, certified, or other first class mail, at the address shown in Item 1 of the Declarations, written notice stating when, not less than ten (10) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this policy shall terminate at the date and hour specified in such notice.

If this policy shall be canceled by the Public Entity, the Company shall retain the customary short rate proportion of the premium hereon. If this policy shall be canceled by the Company, the Company shall retain the pro rata proportion of the premium hereon. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

**11. REIMBURSEMENT OF THE COMPANY**

If the Company has paid any Damages in excess of the Limit of Liability or Damages or Defense Costs within the applicable Deductible, the Insureds, jointly and severally,

shall be liable to the Company for any and all such amounts and, upon demand, shall pay such amounts to the Company.

**12. SUBROGATION**

In the event of any payment under this policy, the Company shall be subrogated to all the Insured's rights of recovery against any person or organization, and the Insured shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights for the Company. The Insured shall do nothing to prejudice such rights. Any amount recovered in excess of the total payment by the Company shall be restored to the Insured, less the cost to the Company of recovery.

**13. OTHER INSURANCE**

Subject to Clause 6(c), such Insurance as is provided under this policy shall apply only as excess over any other valid and collectible insurance, self insurance, or indemnification or any similar agreement, whether such other insurance or agreement is stated to be primary, pro rata, contributory, excess, contingent or otherwise.

**14. COOPERATION CLAUSE**

The Insured shall cooperate with the Company and, upon the Company's request, assist in making settlements and in the conduct of Claims. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at the Insured's own cost, voluntarily make any payment, assume any obligation or incur any expense.

**15. NOTICE AND AUTHORITY**

By the acceptance of this policy, the Public Entity agrees to act on behalf of all Insureds with respect to the giving of notice of Claim, the giving or receiving of notice of cancellation or non renewal, the payment of premiums, the receiving of any premiums that may become due under this policy, consenting to any settlement and exercising the right to the Discovery Period. All Insureds agree that the Public Entity shall act on their behalf.

**16. ASSIGNMENT**

Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; however, subject otherwise to the terms hereof, this policy shall cover the estate heirs, legal representatives or assigns of the Insured in the event of the death, bankruptcy or insolvency of the Insured or the Insured being adjudged incompetent.

**17. ACTION AGAINST THE COMPANY**

No action shall lie against the Company unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this policy, nor until the amount of the obligation of the Insured to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company.

Any Insured or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No Insured shall have any right under this policy to join the Company as a party to any action against other Insureds or the Public Entity to determine the Insureds' liability, nor shall the Company be impleaded by the Insureds or the Public Entity or their legal representatives. Bankruptcy or insolvency of the Insured or the estate of the Insured shall not relieve the Company of any obligation hereunder.

**18. REPRESENTATIONS AND SEVERABILITY**

In granting coverage under this policy, it is agreed that the Company has relied upon the statements and representations contained in the application for this policy (including materials submitted thereto and, if this is a renewal application, all such previous policy applications for which this policy is a renewal) as being accurate and complete. All such statements and representations shall be deemed to be material to the risk assumed by the Company, are the basis of this policy and are to be considered as incorporated into this policy.

With respect to such statements and representations, no knowledge or information possessed by any Insured shall be imputed to any other Insured. If any person who executed the application knew that such statement or representation was inaccurate or incomplete, such statement shall not be imputed to any Insured other than such signator and any other Insureds who knew such statement or representation was inaccurate or incomplete.

**19. POLICY TERRITORY**

This policy applies to Wrongful Acts committed anywhere in the world provided Claim is made in the United States of America, its territories or possessions, or Canada.

**20. HEADINGS**

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

## **POLICYHOLDER NOTICE**

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at [www.aig.com/producercompensation](http://www.aig.com/producercompensation) or by calling 1-800-706-3102.



### ENDORSEMENT # 1

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

### **FORMS INDEX ENDORSEMENT**

The contents of the Policy are comprised of the following forms:

<u>FORM NUMBER</u>	<u>EDITION DATE</u>	<u>FORM TITLE</u>
68929	10/97	Public Officials And Employment Practices Liability Declarations
		Policyholder Disclosure Notice of Terrorism Insurance Coverage
68928	10/97	Public Officials and Employment Practices Liability Policy
91222	04/13	Policyholder Notice
78859	10/01	Forms Index
68995	08/05	Additional Coverage for Employment Practices Violations Endorsement
69010	08/05	Additional Insured Endorsement
99747	07/08	Domestic Partner Extension Endorsement
89644	06/13	Economic Sanctions Endorsement
99749	07/08	EEOC Hearing Coverage Enhancement Endorsement (Includes Coverage for EEOC Hearings)
119679	09/15	Economic Sanctions Endorsement
97520	02/08	Exclusion (T) Amendatory Endorsement
99750	07/08	Fraud Exclusion Amendatory Endorsement
80959	07/05	Fungus and Mold Exclusion Endorsement
89689	07/05	Intellectual Property Exclusion Endorsement
99758	08/08	Notice of Claims (Reporting By E-Mail)
99752	07/08	Profit or Advantage Exclusion Amendatory Endorsement (Front & Back Wages)
99744	07/08	Third Party Employment Practices Violations Endorsement
52145	08/12	Kentucky Cancellation/Nonrenewal Amendatory Endorsement

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**ENDORSEMENT # 2**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

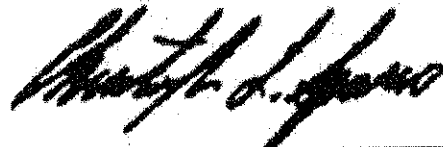
**ADDITIONAL COVERAGE FOR EMPLOYMENT PRACTICE VIOLATIONS  
ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that solely as respects coverage for Employment Practice Violations under this policy, Clause 5., EXCLUSIONS, paragraphs (c) and (d) are deleted in their entirety and replaced with the following:

- (c) Arising Out Of (1) false arrest, detention or imprisonment, (2) assault or battery, (3) malicious prosecution or abuse of process, (4) wrongful entry or eviction, or invasion of any right of privacy, or (5) any allegation relating to the foregoing exclusions 5(c)(1) through 5(c)(4) that an Insured negligently employed, investigated, supervised or retained any person, or based on an alleged practice, custom or policy and including, without limitation, any allegation that the violation of a civil right caused or resulted from such Damages or Claim;
- (d) Arising Out Of (1) bodily injury to, or sickness, disease or death of any person, (2) damage to or destruction of any property, including the loss of use thereof, or (3) any allegation relating to the foregoing exclusions 5(d)(1) through 5(d)(2) that an Insured negligently employed, investigated, supervised or retained a person, or based on an alleged practice, custom or policy and including, without limitation, any allegation that the violation of a civil right caused or resulted from such Damages or Claim;

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**ENDORSEMENT #3**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

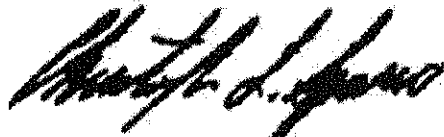
**ADDITIONAL INSURED ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 3., DEFINITIONS, paragraph (f), "Insured", is amended to include the following person or entity acting for or on behalf of the Public Entity solely within the scope of services contemplated by the Public Entity:

Commonwealth of Kentucky

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**ENDORSEMENT # 4**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**DOMESTIC PARTNER EXTENSION ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that Clause 4. **EXTENSIONS** is deleted in its entirety and replaced with the following:

Subject otherwise to the terms hereof, the policy shall cover Claims made against the estates, heirs, or legal representatives of deceased Insureds, and the legal representatives of Insureds in the event of an Insured's incompetency, insolvency or bankruptcy, who were Insureds at the time the Wrongful Acts upon which such Claims are based were committed.

Subject otherwise to the terms hereof, this policy shall cover Claims made against the lawful spouse or domestic partner (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an Insured for all Claims arising solely out of his or her status as the spouse or domestic partner of an Insured, including a Claim that seeks damages recoverable from marital community property, property jointly held by the Insured and the spouse or by the Insured and the domestic partner, or property transferred from the Insured to the spouse or from the Insured to the domestic partner; provided, however, that this extension shall not afford coverage for any Claim for any Wrongful Act of the spouse or domestic partner, but shall apply only to Claims Arising Out Of the Wrongful Acts of an Insured, subject to the policy's terms, conditions and exclusions.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

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**ENDORSEMENT # 5**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**ECONOMIC SANCTIONS ENDORSEMENT**

*This endorsement modifies insurance provided under the following:*

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

  
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AUTHORIZED REPRESENTATIVE

**ENDORSEMENT # 6**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**EEOC HEARING COVERAGE ENHANCEMENT ENDORSEMENT  
(INCLUDES COVERAGE FOR EEOC HEARINGS)**

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. In Clause 3. DEFINITIONS, paragraph (b), "Claim," is deleted in its entirety and replaced with the following:

(b) "Claim" means:

- a) a civil proceeding for monetary, non-monetary or injunctive relief that is commenced by service of a complaint or similar pleading;
- b) a binding arbitration proceeding commenced after 5/22/2009 in which Damages are alleged and to which an Insured must submit or does submit with the Company's prior written consent;
- c) an EEOC Proceeding commenced after 5/22/2009; or

In no event shall "Claim" include any labor or grievance proceeding, which is subject to a collective bargaining agreement;

2. In Clause 3. DEFINITIONS, paragraph (c), "Damages," is deleted in its entirety and replaced with the following:

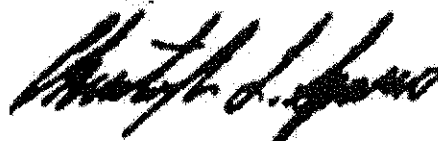
(c) "Damages" means any amount that an Insured shall be legally required to pay because of judgments, arbitration awards, an Equal Employment Opportunity Commission (or similar state, local or foreign agency) awards rendered against an Insured or for settlements negotiated by the Company in accordance with the provisions of this policy; provided that Damages shall not include any amounts for which the Insured is not financially liable or for which there is no legal recourse against the Insured or matters that may be deemed uninsurable under the law pursuant to which this policy shall be construed.

3. Clause 3. DEFINITIONS is amended to include the following Definitions at the end thereof:

AA. "EEOC Proceeding" means an Equal Employment Opportunity Commission (EEOC) (or similar state, local or foreign agency) proceeding commenced by the filing of a notice of charges, service of complaint or similar document of which notice has been given to an Insured;

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**AUTHORIZED REPRESENTATIVE**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ENDORSEMENT # 7**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

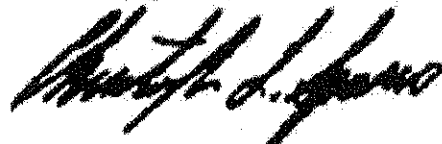
Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**ECONOMIC SANCTIONS ENDORSEMENT**

*This endorsement modifies insurance provided under the following:*

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



**AUTHORIZED REPRESENTATIVE**

**ENDORSEMENT # 8**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**EXCLUSION (T) AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is hereby understood agreed that the policy is amended as follows:

1. In Clause 5. **EXCLUSIONS**, paragraph (t) is deleted in its entirety and replaced with the following:

- (t) Arising Out Of any violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder and amendments thereto or any similar federal, state, local or foreign statutory law or common law;

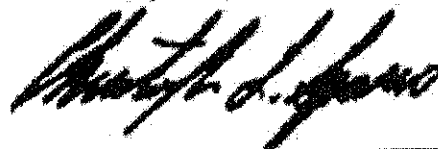
It is acknowledged that Claims for violation(s) of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law," as such quoted language is used in the immediately-preceding paragraph, include, without limitation any and all Claims which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

- (1) the refusal, failure or inability of any Insured(s) to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
- (2) improper deductions from pay taken by any Insured(s) from any employee(s) or purported employee(s); or
- (3) failure to provide or enforce legally required meal or rest break periods.

Notwithstanding the foregoing, this exclusion shall not apply to a Claim for Retaliation.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**ENDORSEMENT # 9**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

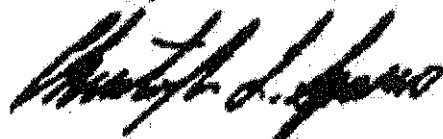
**FRAUD EXCLUSION AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 5. **EXCLUSIONS**, paragraph (a) is deleted in its entirety and replaced with the following:

- (a) alleging fraud, dishonesty or criminal acts or omissions; provided, however, the Insurer shall defend such Claims alleging any of the foregoing conduct until there is a judgment or final adjudication against any Insured as to such conduct at which time the Insured shall reimburse the Insurer for Defense Costs; further provided, however, the Insurer will not cover any such Claim to which any Insured pleads *nolo contendere* or no contest;

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**AUTHORIZED REPRESENTATIVE**

**ENDORSEMENT # 10**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**FUNGUS AND MOLD EXCLUSION ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that the following amendments to the policy shall apply:

1. The Section of the policy entitled "DEFINITIONS" is hereby amended to add the following at the end thereof:

"Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including Molds, rusts, mildews, smuts, and mushrooms.

"Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and Fungi that produce Molds.

"Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any Fungus(i), Mold(s), mildew, plants, organisms or microorganisms.

2. The Section of the policy entitled "EXCLUSIONS" is amended to add the following at the end thereof:

This policy does not apply to any Damages or Claim:

- (a) alleging, Arising Out Of, based upon, attributable to, or in any way involving, directly or indirectly:

- (1) Fungus(i), Mold(s), mildew or yeast;
- (2) Spore(s) or toxins created or produced by or emanating from such Fungus(i), Mold(s), mildew or yeast;
- (3) substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any Fungus(i), Mold(s), mildew or yeast; or
- (4) material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any Fungus(i), Mold(s), mildew, yeast, or Spore(s) or toxins emanating therefrom,

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to such Claim.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**AUTHORIZED REPRESENTATIVE**

**ENDORSEMENT # 11**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**INTELLECTUAL PROPERTY EXCLUSION ENDORSEMENT**

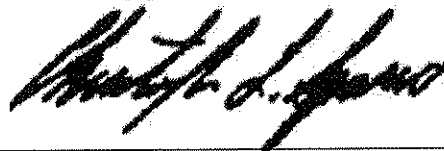
In consideration of the premium charged, it is hereby understood and agreed that Clause 5., EXCLUSIONS, is amended to include the following paragraph at the end of that Clause:

This policy does not apply to any Damages or Claim:

IP(a) Arising Out Of any misappropriation of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**AUTHORIZED REPRESENTATIVE**

**ENDORSEMENT # 12**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**NOTICE OF CLAIM  
(REPORTING BY E-MAIL)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. *Email Reporting of Claims:* In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

c-claim@aig.com


Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG Property Casualty, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225.

2. *Definitions:* For this endorsement only, the following definitions shall apply:
  - (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
  - (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
  - (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED

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**ENDORSEMENT # 13**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

**PROFIT OR ADVANTAGE EXCLUSION AMENDATORY ENDORSEMENT  
(FRONT AND BACK WAGES)**

In consideration of the premium charged, it is hereby understood and agreed that in Clause 5. **EXCLUSIONS**, paragraph (h) is deleted in its entirety and replaced with the following:

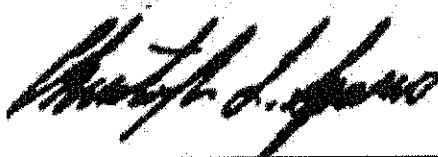
- (h) Arising Out Of the gaining in fact of any profit or advantage to which the Insured is not legally entitled; the return of taxes, assessments, penalties, fines or fees; any award of salary, wages or earnings; provided, however, this exclusion shall not apply to payments for front and back wages arising out of any Wrongful Acts alleging an Employment Practices Violation. "Front and back wages" shall not include Benefits;

For purposes of this endorsement:

"Benefits" means perquisites, fringe benefits, retirement benefits, payments in connection with an employee benefit plan and any other payment, other than salary or wages, to or for the benefit of any employee.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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**ENDORSEMENT # 14**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

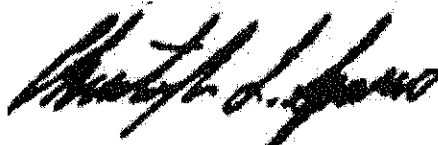
**THIRD PARTY EMPLOYMENT PRACTICES VIOLATIONS ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that:

1. In Clause 3. **DEFINITIONS**, paragraph (b), "Claim," is amended to include any "Third Party Claim."
2. Clause 3. **DEFINITIONS** is amended to include the following terms at the end thereof:
  - TP (a) "Third Party Claim" means any:
    - (1) judicial proceeding alleging an Employment Practices Violation that is filed against an Insured in a court of law or equity and which seeks Damages or other relief; or
    - (2) administrative proceeding alleging an Employment Practices Violation, provided an enforceable award of Damages can be made against an Insured at the administrative proceeding;provided, however, that any such Third Party Claim must be brought and maintained by or on behalf of a Third Party against an Insured for an Employment Practices Violation.
  - TP (b) "Third Party" means any natural person who is a customer, client, vendor, service provider or other business invitee of the Public Entity. Third Party shall not include any employee of the Public Entity or any applicant for employment with the Public Entity.
3. Solely with respect to Third Party Claims, in Clause 3. **DEFINITIONS**, paragraph (e), "Employment Practices Violation(s)," is deleted in its entirety and replaced with the following:
  - (e) "Employment Practices Violation(s)" means any actual or alleged discrimination, sexual harassment or violation of an individual's civil rights relating to such discrimination or sexual harassment, whether direct, indirect, intentional or unintentional.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

### **ENDORSEMENT # 15**

This Endorsement, effective 5/22/2016 at 12:01 A.M. forms a part of

Policy No: 022175076

Issued To: Kentucky Real Estate Commission

By: National Union Fire Insurance Company of Pittsburgh, Pa. ®

### **KENTUCKY CANCELLATION/NONRENEWAL AMENDATORY ENDORSEMENT**

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named Insured", "First Named Insured", and "Insured" mean the Named Corporation, Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

The cancellation and nonrenewal provisions of the policy are hereby amended to include the following:

#### **A. CANCELLATION**

This policy may be cancelled by you by surrender of this policy to us or by giving written notice to us stating when thereafter such cancellation shall be effective.

A notice of cancellation of insurance by us shall be in writing, shall be delivered to the First Named Insured or mailed to the First Named Insured at the last known address of the First Named Insured, shall state the effective date of the cancellation, and shall be accompanied by a written explanation of the specific reason or reasons for the cancellation.

If the cancellation occurs for any reason, including nonpayment of premium, within sixty (60) days of the date of the issuance of the policy, notice of the cancellation shall be mailed or delivered by us at least fourteen (14) days prior to the effective date of the cancellation.

After coverage has been in effect more than sixty (60) days, or after the effective date of a renewal policy, a notice of cancellation shall not be issued unless it is based on at least one (1) of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation made by or with the knowledge of the First Named Insured or Other Insured(s) in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (3) Discovery of willful or reckless acts or omissions on the part of the First Named Insured or Other Insured(s) which increase any hazard insured against;
- (4) The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy

thereof which substantially increases any hazard insured against;

- (6) We are unable to reinsure the risk covered by the policy; or
- (7) A determination by the Commissioner that the continuation of the policy would place the Insurer in violation of the Kentucky Insurance Code or regulations of the commissioner.

If we cancel the policy for any of the reasons stated in items (1) through (7) above, we will mail or deliver a written notice of cancellation to you, stating the reason for cancellation, at least:

- (1) Fourteen (14) days before the effective date of cancellation, if cancellation is for non-payment of premium; or
- (2) Seventy five (75) days before the effective date of cancellation, if cancellation is for any reason stated in items (2) through (7) above.

## **B. NONRENEWAL**

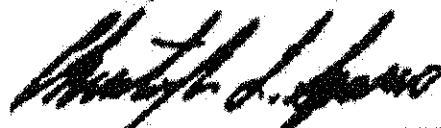
We shall not refuse to renew a property or casualty insurance policy unless notice of nonrenewal is given at least seventy-five (75) days before the end of the policy period. Notice will include a written explanation of the specific reason or reasons for the nonrenewal.

No notice of intention not to renew shall be required where the First Named Insured is given notice of our willingness to renew the policy by the mailing or delivering of a renewal notice, bill, certificate, or policy to you at your last known address at least thirty (30) days before the end of the current policy period, and we have not received the renewal premium before that date.

No notice of intention not to renew shall be required where the First Named Insured is given notice of our willingness to renew the policy with a premium increase of more than 25% of the premium for the preceding policy term, by mailing or delivering of a renewal notice, bill certificate, or policy to you at your last known address at least seventy-five (75) days before the end of the current policy period, and we have not received the renewal premium before that date.

When any policy terminates because the renewal premium was not received on or before the due date, we shall deliver or mail notice of the non-renewal including the date on which coverage ceased to exist within fifteen (15) days of that date.

All other terms, conditions and exclusions of the policy shall remain the same.



**AUTHORIZED  
REPRESENTATIVE**





October 7, 2016

Ms. Amy Monroe  
Division Director  
Office of Procurement Services  
Finance and Administration Cabinet  
702 Capitol Avenue, Room 095, New Capitol Annex  
Frankfort, KY 40601

email: Amy.Monroe@ky.gov

and

Ms. Michelle Saffran  
Director of Administration  
Kentucky Real Estate Commission  
10200 Linn Station Road, Suite 201  
Louisville, KY 40223

email: Shelly.Saffron@ky.gov

RE: Master Agreement No. 758 1500000598  
KREC E&O Liability Insurance

Dear Mr. Gustafson and Ms. Saffran:

Rice Insurance Services Company, LLC would like to renew the contract with the Commonwealth of Kentucky for the errors and omissions insurance issued to the Kentucky Real Estate Commission on behalf of its licensees. The insurance carrier will continue to be Continental Casualty Company, a member of the CNA Financial Corporation's group of insurance companies. Continental Casualty Company is authorized to write insurance in Kentucky and is rated "A (Excellent)" by A.M. Best.

The current contract provides in Attachment B of Master Agreement 758 1500000598 on page 11:

The initial term of the Master Agreement Contract shall be for a period of one (1) year from the effective date of the Award of Master Agreement Contract. The insurance coverage effective dates shall be from April 1<sup>st</sup> through March 31<sup>st</sup> of the initial year as well as for all of the renewal periods should they be exercised.

The Office of Procurement Services and the Kentucky Real Estate Commission will coordinate with the Vendor in approximately December of each year so as to complete the Master Agreement renewal modification / paperwork prior to January 1<sup>st</sup> of each year. The time from January 1<sup>st</sup> to March 31<sup>st</sup> will be utilized by KREC for their mailings and other administrative requirements that must be completed prior to April 1.

This Master Agreement Contract may be renewed at the completion of the initial Master Agreement Contract period for four (4) additional one (1) year periods upon the mutual agreement of the parties. Such mutual agreement shall take the form of an addendum to the Master Agreement Contract under Section 40.050 – Changes and Modifications to the Contract.

October 7, 2016  
Ms. Amy Moriroe  
Ms. Shelly Saffran  
Page 2

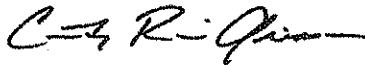
We are currently operating pursuant to Modification #1 MA 758 1500000598 for the first optional one (1) year extension of the contract. The terms and price of the second optional one (1) year extension for April 1, 2017 – March 31, 2018 will be the same as the current contract. The premium amount will be \$126 per licensee (the same as the current group program premium).

We currently administer twelve of the thirteen state group programs for states with mandatory insurance programs for real estate licensees. Kentucky has one of the lowest premium rates of all mandated states even though it features a policy with no deductible (and \$1,000,000 per licensee aggregate limit). We are pleased to be able to provide a renewal quote for this quality coverage at such an affordable premium rate for Kentucky licensees.

Please let us know if the renewal is acceptable for the upcoming renewal period.

If you have any questions or comments regarding these issues, please let us know. Thanks.

Sincerely,

A handwritten signature in black ink, appearing to read "C-Rice-Grissom", with a stylized flourish at the end.

Cindy Rice Grissom  
CEO